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13 April 1982

LATIN AMERICA REPORT

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PEMEX TO INCREASE DRILLING, PUMPING IN 2 MONTHS

Mexico City EL SOL DE MEXICO in Spanish 21 Feb 82 pp 1, 15

[Article by Arturo de Aquino]

[Text] Intensive exploitation of the petroleum resources located in the Gulf of Mexico, until practically all of the Yucatan Peninsula is encompassed, will be started in 2 months for the purpose of making available larger volumes of light oil that will allow the country to garner more foreign exchange by its exportation.

Up to now, according to reports of Mexican Petroleum (PEMEX), national production of hydrocarbons amounts to about 2.3 million barrels per day, nearly 90 percent of which comes from Campeche Sound.

Meanwhile, the Energy Plan calls for an average daily production of 2.75 million barrels of crude, which means that in order to attain that figure by year end, Mexico must produce about 3 million barrels of petroleum daily inasmuch as the volume registered in January and February so far does not even reach 2.3 million barrels daily.

As regards exportation as well, the figure of 1.5 million barrels daily also will have to be surpassed by year end in order to comply with the Energy Plan, seeing that the exported volume reached only 1.2 million barrels daily, more or less, in the first 2 months of this year.

According to world reports, the course of action that will be undertaken by the government petroleum enterprise in the Gulf of Mexico is intended to increase the volume of the "Maya" light oil, which commands a higher price in the world petroleum market and, therefore, will enable Mexico to earn a larger amount of foreign exchange.

PEMEX officially announced that in 2 months, at the latest, a comprehensive development program will be initiated in Campeche Sound that will even include the drilling of oil wells along the coast of the Gulf of Mexico toward the southeast.

The information notes that a series of perforations is going to be carried out which will practically encompass Yucatan Peninsula in search of larger volumes of hydrocarbons.

8414

CSO: 3010/1108

ININ OFFICIAL WARNS AGAINST IRRATIONAL OIL POLICY

Mexico City EXCELSIOR in Spanish 15 Mar 82 pp 4-A, 32-A

[Article by Mario Ruiz R.]

[Text] Dalmau Costa Alonso, director of the National Nuclear Research Institute (ININ), warned yesterday that if the government enterprise Mexican Petroleum (PEMEX) exceeds its hydrocarbons export policy, it will put the future of Mexico at stake.

Our country, he added, should rationalize better its domestic and its foreign petroleum policy in order to avoid energy dependency in the future. "Also, we must ensure that revenues from the sale of our petroleum are reinvested in everything that will guarantee us constant growth and the stable development of the nation."

He said that now is the time to rationalize our petroleum resources, and to impart a greater momentum to nuclear energy as the alternative source providing faster and easier results, and eliminating the trauma of dependency on a foreign source for energy.

The period we Mexicans are going through is the right time to engage in the peaceful use of the atom to produce electric power. It could not be said at any time that we are coming in late. What has happened is that, given our petroleum resources, there has been no great haste to set up bigger nuclear plants.

However, he acknowledged that according to the strategy of the National Energy Plan, the rationalization of our hydrocarbon resources is considered in addition to the search for alternative sources such as nuclear energy, which currently is cited as one of the priorities of the federal government programs.

Costa Alonso commented that the production goal of 20,000 megawatts to be attained by the year 2000 is part of this ambitious design that could be completely fulfilled, but this would entail the risk of technological dependency because the plants, as well as the technicians, would have to be contracted for abroad.

The most advisable thing to do is to increase the pace, to move faster in the Mexican nuclear field in order to train as soon as possible the largest number of personnel, and this will redound in the need for research, development and new installations.

Rationalization Is Imperative

The director of the ININ stated that the rationalization of petroleum exploitation became imperative from the moment that the country turned into an important world producer. Formerly, there was no need--we hardly had enough to meet domestic demand. But now that we have a surplus, we must ensure a stable growth and take care of our needs properly.

Mexico is a country of limited economic resources. We cannot afford the luxury of being wasteful, hence we have to act according to national demand and to work on priority areas, such as nuclear energy at the present time.

"I believe we are doing well. Export goals have not been altered and market diversification has been maintained, just as the energy program requires. But the danger of putting the future of the country at stake exists as soon as PEMEX exceeds its policy of petroleum exploitation."

The official stated that petroleum has been the mainstay of national development in the past few years. Thanks to this resource, we managed to confront the crisis that began in 1976. It has aided development in all priority areas of the nation, especially the nuclear area.

I believe nuclear energy has a high priority and will have a higher one in the near future. The first step has been taken within this context, which is the solicitation of proposals for the establishment of the nuclear power plant infrastructure that will be in operation for the next 18 years.

No to Warlike Purposes

Dalmau Costa Alonso reiterated the Mexican Government's posture of opposition to the warlike use of the atom. The Constitution clearly states that its use will be exclusively for peaceful purposes, hence it is declared to be of public usefulness.

Costa Alonso said that our country has been traditionally peaceful and a determined promoter and defender of the Nonproliferation Treaty of Tlatelolco.

It definitely has never condoned the use of warlike means for persuasion. It has always resorted to the dialogue, to high level negotiations, in order to be able to resolve its problems, and it has done this very successfully.

Part of that policy has been based on opposition to the warlike use of nuclear energy and strategic weapons. On that score, there has been assurance in the Mexican tradition itself, in the determination of its people not to use this process, which will be the major alternative source of energy, for warlike purposes.

8414

CSO: 3010/1108

COLOMBIAN-ECUADOREAN JOINT DECLARATION ISSUED 26 MARCH

PA270318 Bogota Domestic Service in Spanish 1540 GMT 26 Mar 82

[Joint Declaration signed by Colombian President Julio Cesar Turbay Ayala and Ecuadorean President Oswaldo Hurtado Larrea at Narino Palace in Bogota on 26 March--read by unidentified announcer]

[Text] Invited by Colombian President Julio Cesar Turbay Ayala, Ecuadorean President Oswaldo Hurtado Larrea made an official visit to Colombia on 24 to 26 March 1982.

The presidents held frank and cordial talks during which they analyzed the most important bilateral subjects and various international problems of common interest. During the conversations, they confirmed the broad range of shared views and reaffirmed their decision to further strengthen the traditional relations and cooperation between both peoples. As a result, they decided to sign the following joint declaration:

The presidents of Colombia and Ecuador above all want to state that these talks showed the permanent ties and the fraternal friendship that links their respective countries.

They ratify their adherence to the principles and objectives of the UN and OAS charters as well as those of international law.

In order to strengthen their common international positions, the presidents of Colombia and Ecuador agree that their foreign ministers will maintain contact through diplomatic channels and through their delegations to multilateral organizations and forums in order to coordinate their positions on subjects of mutual interest.

In order to strengthen their common international positions, they reiterate their adherence to all the principles established in the charter of conduct signed in Riobamba on 11 September 1980 and particularly the following principles in view of the current international situation: the existence of freedom, social justice and the democratic institutions through a political order based on a popular and participatory democracy; the solemn commitment to respect human, political, economic and social rights; the peaceful solution of existing or future controversies among the countries of the Andean group as well as between

members of that group and third countries through the peaceful procedures established in international law; subregional and regional disarmament inspired in the postulates of the Ayacucho declaration as a result of the concern over the arms buildup trend in some Latin American countries which would be an effective contribution to general and complete disarmament so that resources can be used for economic and social development; the sovereign right of states to freely control their natural resources.

Aware of their peoples' support of democracy and freedom, they reject violence and terrorism as a means to solve economic and social problems and they reaffirm their governments' decision to continue to tirelessly work in their countries to achieve full economic development and to consolidate social justice.

Following an analysis, they reiterate that the problems in Central America and the Caribbean must be solved through peaceful means and without any foreign intervention. They agree that the complexity and extent of the Central American political, economic and social crisis demands broad and deep solutions capable of creating conditions for the development of stable and prosperous societies. They share feelings of fraternal solidarity with the pain of the Central American peoples, victims of violence, and they express deep concern about the foreign interference that worsens the domestic problems being experienced by several of those countries.

They express the hope that, through democratic means, El Salvador will solve its internal problems and establish peace with respect for the principle of nonintervention and the free determination of peoples.

In accordance with their respective legislation they reaffirm their two countries' rights of sovereignty and jurisdiction over 200 nautical miles of coastal seas and over the renewable and nonrenewable resources, including the highly migratory species that are found in those waters as well as over the resources of the seabed and corresponding subsoil.

In this regard, they agree to promote among the countries of the Eastern Pacific the establishment of an agreement on conservation and optimum exploitation of tuna and other highly migratory species existing in the region.

They reject the position of some states which seek to impose, during the third UN Law of the Sea Conference, their own interests and those of the transnational companies that they sponsor, thereby opposing and endangering agreements reached with difficulty in this conference by the international community after lengthy and difficult negotiations.

They express their governments' decision to continue in permanent consultation and to coordinate their actions within the international forums to defend their rights over the synchronous geostationary orbit.

They reiterate their decision to give the greatest support to the second meeting of the equatorial countries that will be held in Quito on 26 to 28 April 1982 with the object of coordinating the position of these countries in the second UN conference on space that will be held in Vienna in August 1982.

They agree to continue giving their most determined help to the regional Latin American organizations and to the group of 77 in an attempt to promote coordinated efforts to create more just and equitable international economic conditions that will guarantee fruitful cooperation among states and that will promote peace, security and the well-being of all states.

They reaffirm that the pressing problems of the developing countries need the special attention of the industrialized countries, avoiding the reactivation of international tensions that will delay the beginning of the global negotiations of the north-south dialogue within the framework of the United Nations.

The two presidents reiterate the importance of diversifying the economic cooperation among the developing countries to permit maximum use of their trade and complementation potential.

They stress the importance of energy affairs for economic development which must be taken into account in the global negotiations along with other essential factors such as finance, commerce, transfer of technology, raw materials and food. In this regard, they note that the international community should not spare efforts in the rational use of nonrenewable energy resources for the development of alternate energy sources.

They express the two governments' deep concern over the protectionist measures adopted by the industrialized nations that oppose the commitments acquired in various international forums and they express their concern over the discriminatory policies practiced by those nations.

They note the need to give new dynamism to the subregional Andean integration system. In view of this, they promise to undertake maximum efforts so that the obstacles in the implementation of the Andean decisions will be quickly and effectively overcome.

They stress the importance of the conclusions and recommendations issued in the latest periods of special sessions of the Cartagena Agreement Commission and they express their support for the negotiations to find solutions to the non-fulfillment of the decisions as well as to the reactivation of the process through new formulas and measures to promote subregional integration.

They receive with pleasure the recent decision of the Cartagena Agreement Commission on Andean multinational enterprises which gives a new dimension to the business activity in the subregion and renews the member countries' confidence in the dynamism and strength of the integration process.

The presidents also issue a cordial call to the states which are signatories of the agreement that establishes the Andean Court of Justice to achieve its operation as soon as possible. This body will give new stimulus to the Andean group and will increase its institutional strength by rapidly and effectively solving the controversies that might arise within the integration process.

They agree on the advisability of strengthening the external action of the Andean group through joint negotiation in the international economic forums. They also feel that it is very advisable for the Andean group and the EEC to promote the negotiations to establish a mutual cooperation agreement as soon as possible.

They reaffirm their governments' firm support for the Latin American integration process and they point out that the 1980 Montevideo treaty should become one of the best instruments for effective regional and subregional integration.

They express their satisfaction over the increase of trade between the two countries in the past few years and they point out the importance of promoting its future growth.

They ratify their firm support for Sela as a permanent mechanism of interregional economic and social cooperation as well as for consultation and coordination of Latin American positions in the international organizations and with third countries or groups of countries.

As presidents of Amazon countries, the two rulers reiterate their support of the Belem declaration, convinced of the need to increase their efforts for the harmonious development of their respective Amazon regions, economic growth and the preservation of the environment as established in the Amazon cooperation treaty.

They reaffirm their decision to continue to actively cooperate in the implementation of the cooperation programs specifically directed toward the Amazon region within the framework of the Amazon cooperation treaty.

They renew their wish that the second meeting of foreign ministers as stipulated in that treaty and that will be held in Colombia will produce results beneficial to the countries of the region.

With the desire to carry out the objectives of the Amazon cooperation agreement signed by Colombia and Ecuador, the two presidents entrust to their foreign ministries the coordination of the necessary steps for undertaking the joint cooperation programs for the development of each of their respective Amazon regions and for their ecological protection as well as for the work to improve transportation routes, particularly navigation in the San Miguel and Putumayo Rivers and the construction of the international bridge over the San Miguel River. They also agree to expand the health services and in general everything that is decided in benefit of the interests and needs of their respective Amazon populations.

They agree that the first session of the Colombian-Ecuadorean Joint Cooperation Commission established in that agreement will be held in Puerto Leguizamo on 1 July 1982.

On dedicating special attention to the situation of the undocumented immigrants of both countries, the two presidents have decided, within a spirit of broad understanding, to promote negotiations to reach an agreement in this regard with the urgency that this worrying situation demands.

They agree to promote the cultural cooperation programs established in the agreements in effect and for this purpose they agree to promote the activities of the corresponding joint commissions. They also entrust to those commissions the examination of all aspects which have emerged in relation with the implementation of those agreements.

They invite the official and private organizations involved in the development of production, dissemination and marketing of educational and cultural goods and messages to coordinate efforts of joint publication and dissemination of the artistic and literary heritage of our peoples.

Within the shared commitment of both countries to consolidate the integration process of the respective border areas, they agree to reactivate the work of the permanent Colombian-Ecuadorean economic integration commission so that it will recommend to the two governments the measures that will guarantee the fulfillment of the commitments assumed in this area and will submit to their consideration additional programs and projects of cooperation for the development of those zones and the improvement of the living conditions of their residents.

In accordance with the existing treaties, they agree to promote the exchange of technology, resources, information and training of technical personnel for the maintenance of hospitals, for the increase of activities in the field of disease prevention and improvement of medical attention as well as to implement the recommendations and resolutions issued by the groups of experts who met in Esmeraldas, Ecuador, in January, emphasizing the joint actions to benefit the border population.

They agree that through the Colombian Electrification Institute and the Ecuadorean Electrification Institute, there will be intensification of energy cooperation actions with the cooperation of the Latin American Energy Organization, OLADE, and there will be priority action to begin the studies for geothermic exploration of the Chiles-Cerro Negro-Tufino border area.

They agree on the need for technicians of both countries to make visits to the centers involved in the various phases of agricultural production in order to exchange information and undertake action to improve the supply and marketing of the area's products.

They agree that the joint commission created by the administrative cooperation agreement between the Republic of Colombia and the Republic of Ecuador to control, prevent and repress the traffic and illegal use of narcotics and mood-altering drugs will meet on 10 June 1982 in Quito to coordinate the policies of the two governments in this field and to study the bilateral programs for preventive action and the repression of the traffic of narcotics and mood-altering drugs.

The presidents have decided that on this date, consultations will be begun between the foreign ministries and the embassies of the two countries in Bogota and Quito to establish the agenda for a joint working group that will meet in Quito to establish the agenda for a joint working group that will meet in Quito on 27 April. The group will study subjects of common interest and to establish the most adequate means to fulfill the treaties in force between the two countries.

They also decided that the agenda of that meeting will include all the points that either government believes should be discussed.

The two presidents express their deep pleasure over the signing, on this occasion and in their presence, of the following agreements by the Colombian and Ecuadorean Foreign Ministers and the Colombian Energy and Mines Minister and the Ecuadorean Natural Resources and Energy Minister. These agreements constitute a clear expression of the productive development of the relations between the two countries. The agreements are the following: complementary agreement to the Colombian and Ecuadorean Technical and Scientific Cooperation Agreement on plant diseases; complementary agreement to the Colombian and Ecuadorean Technical and Scientific Cooperation Agreement on plant diseases; complementary agreement to the Colombian and Ecuadorean Technical and Scientific Cooperation Agreement for the development of the hydrocarbons and mining project; complementary agreement to the Colombian and Ecuadorean Technical and Scientific Cooperation Agreement for the geothermic exploration of the Chiles-Cerro Negro-Tufino border area; complementary agreement to the Colombian and Ecuadorean Technical and Scientific Cooperation Agreement on electrification.

In this occasion President Hurtado expresses Ecuador's recognition of President Turbay Ayala's contribution to the reestablishment of the peace between Ecuador and Peru which was broken in January and February 1982. He also expresses his great gratitude for the generous hospitality and attention he received from the people and government of Colombia, particularly Colombian President Julio Cesar Turbay Ayala whom he cordially invited to visit Ecuador.

President Turbay Ayala accepted this invitation for a date that will be decided in the future through the respective foreign ministries.

CSO: 3010/1212

NICARAGUA INTERIOR MINISTRY ON HONDURAS AGGRESSION

PA301720 Managua Domestic Service in Spanish 0000 GMT 27 Mar 82

[Text] This afternoon the Interior Ministry released a detailed report on the many aggressions perpetrated from Honduran territory in the short period of 13 days, some of which even had the approval of sectors of the Honduran Army and were even perpetrated by members of the army. The report was released during a news conference held by Capt (Jose Figueroa Aguilar), chief of assistant's office of the Interior Ministry. Here is the Interior Ministry document:

Report of aggressions since 10 March 1982:

At 1900 on 12 March counterrevolutionary elements harassed the border post of Leymus, northern Zelaya Department, from Honduras.

On 13 March a Honduran Air Force helicopter overflew the Sonie Valley, Somoto jurisdiction, Madriz Department.

On 2200 on 14 March counterrevolutionary elements used dynamite to destroy the Rio Negro bridge, southwest of Somotillo, Chinandega Department.

At 2345 there was a dynamite explosion at the bridge on the outskirts of Ocotal over the Rio Coco. This bridge was damaged.

At 1100 on 15 March, off San Jose point in Nicaraguan territorial waters of the Fonseca Gulf, a Honduran coast guard vessel attacked and kidnapped companeros (Juan Jose Reyes Garcia), delegate of immigration in Potosi, and (David Atila Chacon), delegate of the Nicaraguan Fishing Institute, INPESCA, in the same region, while (Miguel Angel Zuniga), a fisherman from Potosi, fled.

In the (Islasmi) sector, 15 km east of San Carlos de Rio Coco, at 1300, a Nicaraguan exploration plane was shot at from Honduran territory. These individuals were herding cattle from Nicaragua to Honduras. Honduran Air Force planes flew over the border posts of San Antonio, Las Palmas and Los Robles.

On 17 March, in the sector of Seven Benk River, 8 km south of Santa Marta and 9 km southwest of Sisin, there was a clash between companeros of the FSLN and a group of 85 counterrevolutionaries. A total of 11 individuals were killed, including companeros (Napoleon Mendoza Mojica), (Eladio Gonzalez Granados) and (Margarito Castillo).

At 1003, off (Nata) point in the Gulf of Fonseca, there was a clash between a Sandinist navy patrol boat and a similar Honduran boat in which 1st Sgt (Bernardo Davila) was wounded.

On 18 March, in the sector of La Hermita, (Castillo Del Norte), 25 km northwest of Rio Blanco, a gang of 60 counterrevolutionaries attacked the house of the Sandinist people's militias. Militiaman (Eberto Soza) and a 5-year-old girl were killed and three persons wounded. Three counterrevolutionaries were also killed.

On 19 March the same gang attacked Gualises, 20 km northwest of Rio Blanco, where a highway maintenance area is located, and burned five houses and looted grocery stores near the town.

At 1130 on 21 March, off Cabo Viejo, north of Puerto Cabezas, a Nicaraguan coast guard vessel captured the Honduran shrimp fishing vessel ("Mister").

At 1650 the shrimp fishing vessel ("Dear Way") was captured in the same area, while our coast guard vessel was attacked by two super (?Mystere) planes, which sustained some structural damage from the gunfire.

On 21 March, in Cuatro Esquinas, 3 km southeast of Kilambe Hill, a group of counterrevolutionaries attacked the Enabas (Nicaraguan basic food enterprise) post, absconding with 21,000 cordobas.

On 22 March, at 1700, a group of counterrevolutionaries attacked the (Los Alpes) farm, 4 km north of Matagalpa, but were repelled by Sandinist peoples militias companeros. No casualties were reported.

On 23 March, in the sector of the border guard post of San Francisco, Santa Clara community in Nueva Segovia Department, companeros of the border guard repelled a group of eight counterrevolutionaries who had penetrated approximately 200 meters into our territory. The individuals fled to Honduras and apparently several of them were wounded.

At 1800, in Comarca de Wanawas, 22 km north of Rio Blanco, Matagalpa Department, some 45 counterrevolutionaries harangued the people against the revolution.

In Walana, 12 km northeast of Rio Blanco, a gang set fire to the local school and stole money and goods from the commissary.

On 24 March at 1730, the border post of (Sobotine), in the 4th Region, was harassed from the Honduran side of the border. Six counterrevolutionaries were killed and two of our companeros were wounded.

At 1700, in the direction of the town of (El Cuadro), 15 km northeast of the legal crossing over El Guasaule River, as they were crossing the river, two women members of the Honduran army attacked a border guard patrol which was in the area. No casualties were reported on our side.

At 1800 on the same day, 24 March, an unidentified plane strafed the INPESCA ship "Pescanica 28" 12 miles east of Monkey Point, without causing any damage. Later the same plane overflew the sector of (Punta Roca), 10 miles south of Monkey Point.

On 25 March at 0130, the Honduran Army harassed the sector of El Espino for 30 minutes. They lobbed mortar rounds which set fire to the customs warehouse in El Espino.

At 0405 several counterrevolutionaries attempted to take (El Zacaton) border post by force. They were repelled by border guard troops. The attackers abandoned two 60 mm mortars, one M-79 grenade, two FAL clips, three cartridges manufactured in the United States and an empty grenade launcher and FAL rifle cartridges.

CSO: 3010/1226

HONDURAN PAPER SCORES 'RASHNESS' OF NICARAGUAN CHARGES

PA010347 Tegucigalpa EL HERALDO in Spanish 30 Mar 82 p 2

[Text] The information office [not further identified] has noted that according to an AP report filed in Managua with a 27 March dateline, the Nicaraguan Government has protested to the Honduran Government about what it calls "the latest armed attacks launched from Honduran territory."

According to the report, a note (which has not yet been received by the office of the secretary of state for foreign affairs) from Nicaragua's foreign minister states that "counterrevolutionary groups composed of former Somozist guards, supported by a sector of the Honduran Army, entered Nicaraguan territory from Honduras at dawn on 25 March. These groups wantonly attacked and burned storehouses and installations in the El Espino border post."

The information office finds it appropriate to offer the following clarifications:

1. The Honduran Government knows nothing of any aggressive actions carried out by Nicaraguans that could have taken place in Nicaraguan territory [as heard]. In this regard, it regrets the rashness with which the government of the neighboring country has reacted by asserting, without presenting any evidence, that the group of "counterrevolutionaries" was supported by "a sector of the Honduran Army." This is a rash charge that we categorically reject.
2. Honduras has presented a specific proposal before the OAS Permanent Council aimed at encouraging peace throughout Central America and it would be illogical to think that it could be supporting or promoting subversive movements against a regional government. It is worthwhile to recall that point three of Honduras' proposal to the OAS states: "Let the appropriate mechanisms be analyzed and agreed upon so that there is control over commitments acquired by the governments of Central America. This control would be exercised through international supervision, to which Honduras agrees. This supervision would be exercised in countries where there are sensitive conflicts and circumstances that could affect peace in the region. The

supervision could be exercised, for example, in ports, airports, border zones and strategic areas. Honduras sincerely has the greatest desire to open its territory to any type of international supervision that could be agreed on to achieve, and to strengthen, peace."

3. The Honduran Government states once again that it does not want to maintain a climate of continuous verbal confrontation or any other type of confrontation with the Nicaraguan Government or with any other government. On the contrary, the Honduran Government reiterates that what it most wants is peace in Central America, which is why it presented the previously mentioned proposal, which has six points that can be summarized as follows:

1. general regional disarmament;
2. reduction of foreign advisers, whether they are military men or civilians;
3. agreement by the countries of the area to international supervision;
4. a halt to arms traffic in the region;
5. absolute respect for the jurisdictional borders of all Central American states;
6. promotion of a multilateral and continuous dialogue aimed at finding solutions to the area's problems and at securing respect for public liberties and for the people's right to freely state their will and to strengthen a democratic and pluralist system.

CSO: 3010/1226

BRIEFS

TREATY COULD BE INVOKED--Rio de Janeiro, 1 Apr (TELAM)--The Inter-American forces could be mobilized to repel a possible naval attack by Great Britain on Argentina, according to Brazilian Foreign Ministry sources quoted here today by the newspaper JORNAL DO BRASIL. Itamaraty (Brazilian Foreign Ministry) spokesmen have stated that in case of a naval attack on an American country by a foreign power, the Inter-American military forces could be mobilized, with U.S. support, pursuant to the Inter-American Reciprocal Assistance Treaty (TIAR), the newspaper's correspondent in Brasilia states in his report. After noting that the TIAR, which was signed in Rio de Janeiro in 1947 at the peak of the cold war era, envisages precisely the possibility of American countries taking joint military action to reject the threat posed by a country located outside the continent, Itamaraty spokesmen expressed their belief that the problem will be solved through diplomatic channels. Regarding the South Atlantic, the newspaper states that the Brazilian Foreign Ministry regards regular Argentine-Brazilian discussions on issues related to the defense of that ocean as a routine practice. According to JORNAL's correspondent, Brazilian Foreign Ministry sources have stated that it is proper to remember that the South Atlantic consists of the Brazilian and Argentine coasts and, therefore, it is only natural for the two countries to be concerned with their defense by holding talks with the United States, their main partner within the TIAR. [Text] [PY011902 Buenos Aires TELAM in Spanish 1828 GMT 1 Apr 82]

MALVINAS DISPUTE--Brasilia, 1 Apr (TELAM)--Press sources today revealed that the Brazilian Government "is following with concern" the developments of the Argentine-British dispute over the Malvinas Islands and that the Foreign Ministry is undertaking a careful study of all the available juridical background. Press reports indicate that the aggravation of the crisis, brought about by the presence of military forces of the two countries in the area of the Malvinas and South Georgia Islands, has raised concern as Brazil "has traditionally supported the Argentine claims." According to Brazilian diplomats consulted by reporters, "even though the government makes no comments," it is clear that "the Brazilian declarations at international forums were categorical and they could be ratified in case the present situation tends to aggravate even further." It was recalled that the Brazilian position was personally ratified by President Joao Figueiredo in documents which were signed during the meetings he held with former Argentine Presidents Gen Jorge Rafael Videla and Gen Roberto Eduardo Viola. Brazilian commentators, who have made an in-depth analysis of the UN resolutions which Brazil voted in favor of, indicate that "by virtue of geographic sovereignty, the Malvinas Islands should belong to Argentina." [Text] [PY020140 Buenos Aires TELAM in Spanish 1255 GMT 1 Apr 82]

CHILEAN AID TO BOLIVIA--In keeping with its duties as member of the Inter-American Air Force Cooperation System, the Chilean Air Force has shipped to Bolivia 15,000 doses of antityphus vaccine, 100,000 doses of vaccine against diarrhea, 100,000 doses of vaccine against diseases which affect the digestive system, 1,000,000 doses of multivitamins and 1,000 bars of disinfectant soap to aid those affected by floods. [Santiago Chile Domestic Service in Spanish 0000 GMT 30 Mar 82 PY]

CSO: 3010/1230

BRAZIL, HUNGARY SIGN TRADE AGREEMENT

PY311940 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Mar 82 p 34

[Text] Yesterday, Brazil and Hungary signed an agreement which will be put in force as of 1 April. The objective of this agreement is to increase bilateral trade. The agreement, signed by the leaders of a Brazilian enterprise and 21 Hungarian enterprises, establishes that within a 3-year period Brazil will export to Hungary a total of \$435 million in merchandise while it will import a total of \$145 million. In the last 5 years, Brazil exported to Hungary goods worth about \$500 million and imported \$57 million worth. This means that during this period Brazil accumulated a surplus that totaled \$433 million.

The agreement signed yesterday at Itamaraty establishes that the products to be exported by Brazil are the following: soybean meal; cocoa byproducts; coffee beans; textiles, in addition to other manufactured products such as copying machines, refractory glass tools, spare parts for cars and highly resistant steel rods. In turn, Brazil must import from Hungary exclusively manufactured products, particularly hospital equipment, telephone equipment, and cranes.

The agreement was signed during a ceremony that was presided over by Hungarian Deputy Chairman Lajos Faluvegi, who ends today his visit to Brasilia.

Yesterday, the Hungarian deputy chairman was honored by Vice President Aureliano Chaves with a luncheon at Itamaraty. At the luncheon, Vice President Chaves noted that since 1975 the regular meetings of Brazilian and Hungarian officials resulted in the improvement of bilateral relations and "in a substantial increase in our bilateral trade. In terms of numbers, Brazilian-Hungarian trade developed from \$89 million in 1975 to a total of \$170 million in 1981."

CSO: 3001/105

BRIEFS

PRO-CARIBBEAN POLICY APPEAL--Brasilia (DAILY POST)--In case the United States should succeed in the plan to strengthen the economy of Central American and Caribbean countries, Brazil will appeal to the general agreement on tariffs and trade (GATT) in order to avoid setbacks in the exports of primary products. The announcement was made by the director of the coordinating office of international affairs of the Ministry of the Treasury, Tarcisio Marciano da Rocha, who charges that the plan by the Reagan government, in its present stage, discriminates against Brazil, and against the GATT principals. According to Tarcisio Marciano, the Brazilian Government has been successful in its efforts to persuade the U.S. Commerce Department not to apply surcharges on Brazilian products exported to the United States. The U.S. Commerce Department should announce their decision on the countervailing duty issue against Brazilian shoe exports, and the Ministry of the Treasury hopes that it is positive and beneficial to the exporters. Brazil has already been successful in solving other cases all with favorable results. The Brazilian Government is also trying to develop, among the companies in the country, in-depth research on a new list of products to be included in the general system of preferences (SGP) in the United States aiming at obtaining a total exemption of duties during a period of 8 years. In order to be included in this list, the exports of such products may not surpass a total of \$46 million nor be over the 50 percent of total U.S. imports for that particular product. [Text] [PY012200 Rio de Janeiro Latin America DAILY POST in English 31 Mar 82 p 7]

COFFEE AUTHORITY WORRIED--Rio de Janeiro (DAILY POST)--Among the countries who are members of the International Coffee Agreement is the United States. It therefore, the coffee commerce center of Rio de Janeiro says, cannot favor with fiscal incentives the exporting countries in Caribbean, among them El Salvador, Guatemala, Costa Rica, and Honduras, without being detrimental to other exporting countries such as Brazil and some African nations, according to the president of the center Fenelon Machado Neto. Machado said the Reagan government's proposal to give incentives and a special tariff treatment to the Caribbean for a period of 12 years, as a way of strengthening their economies, through greater exports to the U.S. market is favoritism. Even though current clauses of the international agreement prohibits favoritism with coffee producing and consuming countries, Machado foresees that the United States will try to benefit Central American coffee producing countries in the negotiations initiated in London. He affirmed that the United States would force the concession of greater coffee quotas for the Central American countries, in September, acting in agreement with the policy to support the Caribbean. [Excerpt] [PY012150 Rio de Janeiro Latin America DAILY POST in English 31 Mar 82 p 7]

EXPORT TRIUMPHS SKEPTICAL--A closer analysis of the statistics could lead to the conclusion that the much vaunted success of the export policy actually is not too much to brag about. Firstly, the dollar earned through exports is not a dollar representing the full value of that currency. Due to subsidies, 70 cents out of every dollar earned through exports, is consumed by subsidies. These subsidies ultimately are obviously paid by the Brazilian taxpayers. These are covering what the government calls the export drive. But despite the governmental boast on the success of its export policy, Brazil's participation in international trade is very small. Recent statistics, relative to 1981, show that this participation is decreasing. The surplus on the trade balance recently recorded do not originate from higher exports but from lower imports, which is an indication of a recessive policy. The export success so often mentioned in official statements is more based on appearance than on reality. [Summary of undated Rio de Janeiro JORNAL DO COMMERCI0 editorial: "Export Fallacy"] [Text] [PY012110 Rio de Janeiro BRAZIL HERALD in English 31 Mar 82 p 2]

POLISH SHIP SALES--Before this week is up, members of the Polish foreign trade delegation which is in Brazil should meet with Lloyd Brasileiro to offer two cellulose-carrier ships on sale. The purchase would be financed by Poland to the tune of \$60 or \$80 million for the two ships of either 35,000 or 40,000 tons each. [PY010210 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Mar 82 p 26]

CSO: 3001/105

CHILEAN REACTION TO ARGENTINE INVASION OF FALKLANDS

Pinochet Reaction

PY312040 Paris AFP in Spanish 1637 GMT 31 Mar 82

[Text] Santiago, Chile, 31 Mar (AFP)--President Augusto Pinochet said here today that Chile hopes the dispute between Argentina and Great Britain over the Malvinas Islands will be resolved in a peaceful way.

Pinochet noted that Chile has always been in favor of resolving all problems that may arise in a peaceful way.

As for the dispute between Chile and Argentina over the area close to the Beagle Channel, General Pinochet reasserted that he has confidence in Pope John Paul II's mediation, and he confirmed that a new round of talks is being held in Rome.

We have confidence in His Holiness and we are holding informal talks in which Argentine and Chilean representatives are participating. As far as I know, neighborly steps have been taken, said Pinochet.

Similarly, cables datelined Rome anticipated that Cardinal Antonio Samore, the Pope's delegate to these negotiations, is planning to meet with the delegations of the two countries tomorrow, Thursday.

Foreign Ministry Observation

PY021643 Paris AFP in Spanish 1616 GMT 2 Mar 82

[Text] Santiago, 2 Apr (AFP)--Chilean Foreign Minister Rene Rojas Galdames today met with his closest aides to discuss the military occupation by Argentina of the Malvinas, Georgias and South Sandwich islands, it has been officially reported.

Foreign Ministry spokesmen said that the conflict between Argentina and Great Britain is being followed here with great interest and that President Pinochet is being kept abreast of developments.

The semiofficial news agency ORBE reported that the defense minister, Gen Washington Carrasco, is also at Government House.

Foreign Minister Rojas Galdames met with Gen Sergio Covarrubias, the vice foreign minister; and Col Ernesto Videla, the Foreign Ministry under-secretary and head of the Chilean delegation to the Chilean-Argentine negotiations on the Beagle conflict.

The old conflict over the southern region is at the hands of Pope John Paul II who has been acting as a mediator since 1979.

Press Views

PY030247 Paris AFP in Spanish 2250 GMT 2 Apr 82

[Text] Santiago, 2 Apr (AFP)--This afternoon thousands of Chileans rushed out to the streets of the capital to buy two extra issues published by the government-owned daily LA NACION which reported on the occupation of the Malvinas Islands by military forces of the neighboring Republic of Argentina.

The daily LA SEGUNDA which linked the incident with the conflict which Argentina maintains with Chile over the possession of the zone near the southern Beagle Channel, southeast from the Malvinas, was as much in demand.

Television and radio stations, on their part, since early this morning broadcast information on the developments with special reports from Buenos Aires.

At official level, Chilean Foreign Minister Rene Rojas Galdames stated that for the time being Chile would not make any pronouncement, but the situation in the southern islands was discussed during a meeting which the minister held with the interior minister, national defense minister and other authorities.

CSO: 3010/1229

'EL MERCURIO' CRITICIZES GOVERNMENT HARSHLY

PY301900 Buenos Aires LATIN in Spanish 2301 GMT 29 Mar 82

[Text] Santiago, Chile, 29 Mar (LATIN-REUTER)--Today the Catholic Church rejected references made to Cardinal Raul Silva Henriquez in a harsh criticism of the military government by the daily EL MERCURIO because it considered it untrue and malicious.

In a communique issued by the Santiago archdioceses it is stated that neither the cardinal or the church's activities are placing or will place the government's stability at stake.

The document, which warns parishioners not to be deceived, strongly reasserts the church's duty and right to evangelize the people's lives in all its aspects.

In its weekly political commentary, EL MERCURIO stated yesterday that the opposition, of which the cardinal is a typical example, virtually has no possibility of a dialogue with the authorities and stated that the church is promoting an ambiguous great youth mission, announced by Silva Henriquez in view of what he termed the moral crisis in Chile.

The commentary adds that the importance of the opposition agitation, orchestrated by skillful persons and who possibly have generous resources, should not be underestimated.

EL MERCURIO, a firm supporter of the military government, stated that the government is isolating itself not only from the opposition but also from those who support it.

The commentary adds that many believe that things are being done wrongly, that they are being done with the roughness of inexperienced persons and that this fact discourages the government's supporters and threatens to leave it without any supporters other than its veteran soldiers at a time when youth missions or other similar initiatives will rouse the people who will be experiencing a climate of unrest due to recession and unemployment.

The EL MERCURIO criticism followed an announcement of cuts in public spending and an increase in taxes in order to counteract a threatening \$1 billion fiscal deficit due to the economic problems which the country is experiencing.

The daily stated that the economic policy is not being managed adequately and criticized the sudden adoption of measures.

It also criticized the security system by making reference to the murder of a labor union leader and other crimes which are being investigated and stated that there is something wrong in the police system. It is not right for a government which advocates order and peace to have to account for so many cases of murder carried out for unknown reasons and with such a lot of accumulated suspicion.

EL MERCURIO states that the Chilean desire for peace, order and security is in keeping with the governing authoritarian regime and not with demagogic and revolutionary whims, and asserted that the current economic and social policy should remain unchanged.

EL MERCURIO adds that the police problem requires the direct action of President Augusto Pinochet, who always reacts with suitable measures and persons in cases of crisis.

In the economic field it points out that General Pinochet has a long [word indistinct] of former finance and economy minister who have served the current regime.

Joint or private talks with all of those who have contributed to the establishment and success of the economic pattern should help the president find reasonable solutions within the framework of his policy.

CSO: 3010/1230

ALLEGED TERRORISTS ARRESTED, CRIMES VIEWED

PY301254 Santiago Chile Domestic Service in Spanish 0000 GMT 30 Mar 82

[Text] The terrorist responsible for the death of (Carlos Sapia Barrasa), member of the national intelligence department, [CNI] has been arrested, together with a woman. The two subversive elements have been placed at the disposal of the second judge advocate of Santiago.

The terrorist has been identified as Fernando Enrique Valenzuela Espinoza, alias Anibal, and is held responsible for the attack which resulted in the death of the CNI member. Together with Ines Del Pilar Peyrau Norambuena, alias Gloria or Lumi, Valenzuela Espinoza was a member of a cell of the militia command of the proscribed Movement of the Revolutionary Left (MIR). Valenzuela Espinoza is also responsible for the attack against the Chilean Electric Company, Inc (Chilectra) station on the corner of (Cueto) and Mapocho Streets, for planting explosive devices in the (Vitacura) movie theater, for planning attacks with incendiary bombs against vehicle concessionaries and stores, attacks which were thwarted by members of the security forces.

In addition to unlawful association, he is charged with illegal possession of weapons.

Ines Del Pilar Peyrau Norambuena is charged with being involved in the planting of explosive devices in the following places: ALMAC [expansion unknown] on Irarrazaval Avenue, the Rudolf store on Bascunan Street, UNICOP [expansion unknown] at bus stop No 12 on Grano Avenue. She is also held responsible for the attacks perpetrated against the Chilectra station on (Cueto) and Mapocho Streets, the Ardigas liquid gas plant on Maipu Street, a vehicle concessionaire on Panamericana Norte Highway, the (?Aristia) poultry plant, store on Gamero Street in Juan Antonio Rios neighborhood, a stationery shop on (Domingo Arteaga) Street, a watchmaker's shop on Sao Paulo and Las Rejas Streets, the National Unions Secretariat at 7 (Subercato) Street, the discotheque Eve and the Insolito store on Ahumada Street.

Like Valenzuela Espinoza, she is charged with unlawful association and illegal possession of weapons.

CSO: 3010/1230

FINANCE MINISTER OUTLINES PLANS TO FIGHT RECESSION

PY261517 Santiago Chile Domestic Service in Spanish 0131 GMT 26 Mar 82

[Text of speech by Finance Minister Sergio de Castro Spikula--live]

[Text] In his speech to the country on 11 March, His Excellency, the president of the republic, announced that he had ordered the Finance Ministry to propose measures needed to reduce state spending and to increase, as much as possible, some tax revenues. On the same occasion the chief of state ordered this same ministry to propose a mechanism by which, during this year, farmers will pay taxes on the actual 1981 income or on the average income estimate to which they will agree on freely.

The purpose of the announced measures consists basically of protecting the stability achieved by the present government from the effect of foreign recession.

Tonight, following the instructions of His Excellency, the president of the republic, I address the nation in order to disclose the decisions adopted by the supreme government regarding the aforementioned issue. Most of these measures are provided for in a law which will be published within the next few days.

Before referring to the measures, I would like to point out that they are being implemented with the full conviction that fiscal imbalance and inflation, which would take place if these measures are not adopted, have been the worst problems which the country has had to endure at other times, problems which have been eradicated through great sacrifices by the entire citizenry. It is the government's duty to avoid a recurrence of these problems.

This potential deficit basically stems from a decrease of revenues caused by a greater drop in imports than was expected, and although it has contributed to speeding up the necessary adjustment of our economy, it creates problems in fiscal financing due to a lower income from custom tariffs and taxes that are generated by imports. Moreover, everyone is aware of the effects of the low copper prices and of other important exportable goods. This has also represented a sizeable reduction in income. Therefore, it is the decrease of income and not the increase of fiscal spending that compels us to adopt these measures.

In the second place, it must be pointed out that due to its magnitude and nature, the aforementioned required reorganization cannot be based exclusively on the reduction of fiscal expenditures, so there is a need for the increase and creation of new [government] incomes.

The tendency of fiscal spending during the past few years has been to concentrate on subsidies of a social nature which significantly commit us and which more often than not represent the transfer of funds to services or institutions which grant loans, which are financed by the state, to the lower income sectors.

The government has decided that expenditures of this nature, as a general rule, must not decrease, especially at this time and taking into account the sectors which benefit from them.

Conversely, the magnitude of the potential and impending deficit precludes it from being reduced exclusively through a reduction of fiscal disbursements.

Finally, I would like to point out that on drafting the measures that will be disclosed hereafter, the need has been taken into account for preserving as much as possible the export potential of the national economy in order to offset foreign products that may be imported, since Chile has an economy open to international trade.

I will now refer to the measures that have been implemented in order that the state may reduce expenditures or fiscal disbursements and create more revenue resources other than taxes.

One: fiscal disbursements for the purchase of goods, transfers and investment by public institutions will be reduced by 15 percent. This reduction does not affect disbursements for payments such as pensions, family allowances, educational subsidies, food plans, refund of taxes, refund of the value added tax to exporters, social funds and subsidies for orphaned children.

Two: State enterprises will be ordered to turn over larger portions of their surplus funds, and a special program for transferring some of their assets will be instituted.

Three: The price of the services rendered by public institutions that receive fiscal contributions will be increased, thus creating an ("active") economy.

The budgetary measures also provide for the creation of some taxes, which are basically of a transitory nature. It has again been decided to act in a way which will not affect the low income sectors of the population and that a moderate surcharge will be imposed, for this year only, on the progressive income taxes paid by the people with medium and high incomes. This measure affects the sole tax and the complementary general tax of those taxpayers.

Since the latter tax is declared yearly and the increased taxes will only be effective in the 1983 tax returns, a minimum provisional payment is fixed

that will have to be made in the second 6 months of 1982, in order to facilitate making an estimate of the earnings that may be accrued through this transitory modification.

On the other hand, as far as taxes are concerned, a 15-percent tax on gambling is created and a surcharge for the benefit of the state is established; the contributions from nonrural properties are increased by 30 percent. In the case of real estate intended for housing, this surcharge will be applied only to those properties whose fiscal evaluation is above 1.5 million pesos. It should be mentioned that this measure will only affect about 35,000 housing units.

Regarding taxes it has further been decided to establish a tax, to be applied only once, equivalent to 60 percent of the value of the traffic permits for 1982 for motor vehicles; it should be paid before the end of August. To a large degree this tax compensates the lower real value of the permits for this year because of the reduction of the market evaluation prices of the vehicles which are a result of the motor vehicle renegotiation and the consequent lowering of the tariffs adopted by this government. Buses, microbuses, taxis and trucks will be exempted from this additional tax. At the same time, and in order to soften the impact of this measure, the application of the compulsory vehicle insurance is postponed until 1 January 1983.

The body of laws which will be published in the next few days also contains certain dispositions aimed at correcting taxing aspects which have a particular importance for the productive sectors. They have been requested by those sectors and accepted by the government in view of the fact that they are believed to be suitable and adequate from the point of view of the objective of national progress which inspires the government. They are:

One: To permit the option between accountancy and presumption in the case of agriculture, applicable as of 1981, inclusive.

Two: To consider as an export the goods which national producers may sell to the primary free zones, thus causing the refund of the value added tax corresponding to their inputs.

Three: Also, a deferred system for paying the mining permits [has] also been implemented, but only for the 1982 fiscal year.

I take this opportunity to confirm that the government will not take any measures regarding business activities, in addition to those indicated which may imply sectorial credit assistance or others which may have a clear inflationary or discriminatory effect.

On concluding this message, I would like to point out that we clearly understand the sacrifice that some of these measures will cause. On deciding to implement them, the government continues on its path of acting realistically and in a timely way, something that has led to price stability and stimulating growth, which we will once again return to as soon as the world's economy becomes stable. Good night.

BRIEFS

AMBASSADOR TO URUGUAY--Montevideo, 10 Mar (TELAM)--During a ceremony held at Government House today, Brig Gen Jose Court Moock, new Chilean ambassador to Uruguay, presented his credentials to President Lt Gen Gregorio Alvarez. [PY191818 Buenos Aires TELAM in Spanish 0042 GMT 11 Mar 82 PY]

PINOCHET DAUGHTER TO PRC--Chilean-Chinese ties are being increasingly strengthened, PRC Ambassador Tang Haiguang has said. He added that these ties were enhanced by the visit paid to four Chinese cities by President Pinochet's daughter. The diplomat made the above statement at the Foreign Ministry while paying a courtesy call on Lt Gen Sergio Covarrubias, who recently assumed the duties of Foreign Ministry undersecretary. Commenting on the visit made by Lucia Pinochet Hiriart, the diplomat said that hers was a visit of friendship and that she had met with high-ranking Beijing officials. He added that the visit will enable the Chilean Government to have a better view of his country. [Text] [PY311320 Santiago Chile Domestic Service in Spanish 1100 GMT 31 Mar 82]

MIR MEMBERS ARRESTED--Members of a cell of the Movement of the Revolutionary Left [MIR], who were responsible for the murder of an agent of the National Intelligence Center [CNI], and an attack on Carabineros Maj (Hildri Golderof) have been arrested. The information was released by the CNI public relations department, indicating that the terrorist group is made up of five individuals including a woman. The terrorists are: Carlos Andres Bruit Gutierrez, Rita Eliana Pena Cardenas, Jorge Luis Sour Marulanda, Enzo Riff Navarrete, and Juan Libador Castro Rojas. Regarding Bruit Gutierrez it was reported that he was expelled from Chile in 1976 but illegally returned in December 1980. Bruit and the other subversives have been put at the disposal of the Santiago Second Military Court. [Excerpt] [PY270136 Santiago Chile Domestic Service in Spanish 0000 GMT 27 Mar 82]

DEMONSTRATORS AGAINST ECONOMIC SLUMP--Santiago, 31 Mar (AFP)--Approximately 50 demonstrators were detained today during incidents that took place in downtown Santiago to protest the economic situation in the country, police sources have reported. The incidents occurred when the dissident National Union Coordinating Board (CNS) attempted to hold an unauthorized meeting which, according to press reports, was designed to put forward the slogan 'the hunger march.' Small groups of persons who gathered on the main street of Santiago shouting slogans against the government were detained by personnel of the Carabineros militarized police. It has been reported that the meeting was designed to discuss the impact the present economic situation is having on the workers and to express the need for all union organizations to unite. Security agents have also been investigating tonight into several telephone calls made to the effect that explosive devices had been planted at intercity bus terminals. [Excerpt] [PY011956 Paris AFP in Spanish 0229 GMT 1 Apr 82]

SALVADORAN ELECTIONS--Chilean Foreign Minister Rene Rojas Galdames today stated that the large number of votes that were cast during the Salvadoran elections prove that a nation that has suffered a lot has rejected the guerrillas. Rojas Galdames stated: From the information we have received we believe there has been a high number of votes. This means that the people of a nation that has suffered so much, of a mature nation such as El Salvador, reject violence and guerrillas by a majority. [Text] [PY300302 Santiago Chile Domestic Service in Spanish 0000 GMT 30 Mar 82]

CSO: 3010/1229

CENTRAL BANK ISSUES MILLIONS FOR RECOPE

San Jose LA NACION in Spanish 13 Feb 82 p 2A

[Text] The Central Bank of Costa Rica has issued inorganically about 700 million colons during the past 2 months and this month as well. The reason for issuing the currency is to maintain current fuel prices, according to official spokesmen.

Spokesmen for the monetary institute reported that in granting foreign reserves to the Costa Rican Oil Refinery (RECOPE) at the official exchange rate to allow that entity to import oil, the institute has had to issue 17 colons for every dollar, because it is giving them to RECOPE at 20 to the dollar, even though it bought them on the free market at 37 to the dollar.

RECOPE needs \$14 million a month to pay for its imports.

The National Electricity Service (SNE) recognized that situation in early January when it authorized the refinery to sell gasoline at 13 colons per liter, gasohol at 12, and diesel at 10 colons.

On that occasion the SNE refused to grant RECOPE's request for a higher increase, considering that the state enterprise was receiving dollars at the official exchange rate.

Transition

At the Central Bank, LA NACION was able to confirm that the board of directors agreed to perform the same transaction in February so that RECOPE could buy crude.

However, it announced that as soon as the transition team is installed, consisting of officials of the current administration and representatives of the incoming one, the team will study whether to decree an increase in the prices of those fuels, or to continue applying the current system.

The installation of that group will probably take place in the next few days, announced spokesmen for the president-elect, Luis Alberto Monge Alvarez.

Study

The executive president and general manager of RECOPE, Jose Antonio Lara Eduarte, who had earlier announced that he would request a new price hike for fuels, immediately after the elections, stated this week that that possibility will be studied next Monday.

Lara had asked in January that the SNE set the price of a liter of gasoline at 14 colons, gasohol at 13 and diesel at 9.

In view of the SNE's decision, the official stated that the fact that diesel is selling at 10 colons is having serious repercussions for transportation and agriculture. He also criticized the failure to bring the price of petroleum in line with that price, because with the latter at 8.50 colons instead of 9, as he had requested, there could be adulterations of diesel by mixing it with oil.

Finally, Lara acknowledged that RECOPE will have higher earnings as a result of the decision on diesel, but "the new prices that prevail do not correspond to the reality of the energy policy pursued by the current administration."

8926

CSO: 3010/1148

IMF OPPOSES GOVERNMENT SUBSIDY OF RECOPE

San Jose LA NACION in Spanish 18 Feb 82 p 3-A

[Text] The government's decision to maintain subsidies on fuel prices by selling dollars at 20 colons to the Costa Rican Oil Refinery (RECOPE) has led to the suspension of any kind of conversations with the International Monetary Fund (IMF).

The report, confirmed yesterday by official sources, indicates that the IMF told the government on earlier occasions that this situation cannot continue.

The experts at the IMF believe that the subsidized sale of dollars to RECOPE will worsen the country's economic situation and increase the financial deficit of the public sector.

It was even said that Minister of Finance Emilio Garnier does not want to resume communications with the IMF representatives for that reason, at least not in the next few days.

A short time ago it was learned that the Central Bank has inorganically issued nearly 700 million colons in order to maintain current fuel prices.

Economic Minister Jose Miguel Alfaro stated yesterday, when asked why the government was trying to hold those prices despite the inorganic issue of currency, that it does not want "another spur to production costs."

The administration has repeatedly said that during the remainder of its term no new increases will be sought for these products. Alfaro indicated that "the adjustment of prices must be done gradually and progressively," and that it should be done by the incoming administration.

Subsidy

By granting foreign currency at the official exchange rate so that the refinery can import oil, the Central Bank has been forced to issue 17 colons for each dollar, because it is giving them to that institution at 20 colons, even though it bought them on the free market at 37 colons.

It was confirmed at the Central Bank that this has forced it to issue 700 million colons inorganically (270 million per month); this sum could exceed 1 billion colons by next May.

Minister Alfaro commented that Costa Rica is just beginning to assimilate the effects of the devaluation of the colon, and he does not want to give another "spur to production."

He explained that the upward spiral of prices is beginning to subside, and therefore any change in the price of fuels should be done gradually.

"An immediate rise in these prices means raising production costs," he reiterated.

The official was asked again if the adjustment will necessarily have to be made in the future, and he said it would. He was then asked, "Wouldn't that then be compounding the problem, because prices must be adjusted, and in the future the effects of the inorganic issue of currency would also be felt in terms of inflation?"

The minister answered that "it is not the same to dilute 700 million colons over 48 months as it is to drop a bomb in 24 hours."

He recalled that at this time an enormous amount of money is in circulation more than 3 billion colons) as a result of the liquidation of exports, and that 270 million colons (the amount of the inorganic issue each month) is only a small part of that supply.

He stated that the capacity to absorb the problems should be studied, and that it is not the same thing for an outgoing government to decree an increase in fuel prices as for an incoming government.

He explained that probabilities not heretofore considered should be taken into account, such as a future drop in oil prices.

In addition to the stabilization of prices mentioned by the official, a short time earlier it was announced that for the first time in many years there was a surplus in the balance of trade in February of \$33 million (between 1 November 1981 and the first days of February).

8926

CSO: 3010/1148

ECONOMIST EXPRESSES VIEWS ON CAUSES OF INFLATION

San Jose LA NACION in Spanish 14 Feb 82 p 3-A

[Article by Lidiette Brenes de Charpentier]

[Text] The surge in inflation over the past year brought the rate up to an unprecedented 65.1 percent over the 1980 level, principally due to the exchange rate, asserted economist Dr. Federico Vargas Peralta.

The money supply, which also reached historic levels, affected the cost of living as well, when the Central Bank put into circulation an amount of money that was disproportionately high in terms of the amount needed to purchase the goods and services produced by the economy.

The price index placed Costa Rica among the top three countries in Latin America on the inflation scale. It was surpassed only by Argentina and Brazil, nations already sadly famous for their long inflationary trends.

So far this year the picture has not improved. In January there was a 9.8 percent jump over December, the largest leap ever recorded in the price index in one month.

Historic

The change in the price index for medium- and low-income consumers in the metropolitan area for 1981, according to the Office of Statistics and Census, was 65.1 percent. That figure will go down in history as the largest increase ever recorded.

Although Statistics and Census warns that indices of this type do not measure the cost of living, this index is generally used by international institutions such as the International Monetary Fund (IMF) and the World Bank to measure inflation.

Included in the annual result were the food and clothing categories, whose prices jumped at 70.4 and 72.3 percent, respectively.

According to official data, in the last 3 months of the year the upward trend sharpened, and it has continued into the first months of this year.

Our inflation rate places Costa Rica, along with Argentina (120.7 percent) and Brazil (99.1 percent) at the head of the countries whose prices soared the fastest last year.

The statistics, obtained from the CREDIT SUISSE BULLETIN (the publication of a respected European financial institution), reveal that while the Latin American trio attained the above-mentioned levels, the United States had an inflation rate of 9.6 percent; Germany, 6.3 percent; and England, 11.7 percent.

The Dollar

Dr Federico Vargas Peralta, one of the economists who are preparing the emergency plan of the National Liberation Party, attributed the increase in prices to the exchange rate of the dollar last year.

It should be noted that 1981 opened with an external rate of 14.25 colons for the purchase of the U.S. currency, and it closed at 38.50 colons on the market, on 24 December.

This sharp devaluation had an impact not only on direct imports, but also on almost all of what we call "national manufacturing," because of the heavy import component in terms of raw materials, inputs or tools.

The hike in fuel prices, with its multiplier effect, also left its mark on prices, claimed the economist.

"Imported inflation," that is, the increase brought in by articles purchased abroad, is another factor that is felt in our economy.

Dr Vargas Peralta also pointed to the currency issued by the Central Bank in order to meet some commitments, among them the compensation of the difference in the exchange rate because it bought dollars in the street and gave them to public sector institutions at a subsidized price of 8.60 colons at first, and 20 colons after the new exchange rate was approved.

Disproportion

According to Central Bank reports, last year an unprecedented 4.426 billion colons was issued, an increase of 53 percent over 1980's 2.895 billion.

In 1979, 2.541 billion colons was issued, and the difference between that amount and that of the following year was 13.9 percent.

Although the economists recognized that more currency has to be issued each year, he noted the magnitude of the increase last year.

On the other hand, the monetary institution's reports indicate that the value of all the goods and services produced by the economy that year (known as the Gross Domestic Product, GDP), dropped by 1 percent.

This situation meant that many more colons--more than in other years--were chasing a few goods--fewer than in the past.

The consequence of the shortage of goods, or, in other words, demand that exceeds supply, is higher prices.

Dr Vargas Peralta mentioned as another cause of the phenomenon he called "psychological inflation," the fact that producers or merchants encourage disproportionate increases in order to protect themselves from uncertainty.

Consumers, on the other hand, buy and hoard for the same purpose, thereby aggravating the shortage.

Effects

No one escapes the effects of inflation, said the economist, but there are sectors that are less able to defend themselves than others. Those who are on fixed incomes, such as salaried workers, suffer more erosion of their buying power, because even if their wages are raised, it is never at the same proportion as the inflation rate.

Among the remedies mentioned by Dr Vargas Peralta was the stabilization of the exchange rate, the reduction of public spending in order to prevent too much currency from being issued, a reasonable monetary and credit program, and higher production.

He did not reveal any details about how to accomplish this, since that is what the new administration's emergency plan is all about. "All in due time," he concluded.

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CSO: 3010/1148

BRIEFS

COUNTERREVOLUTIONARY LINKS--Yesterday Sandinist commander Leonel Cabezas denied having any links with the Nicaraguan counterrevolutionary movement and asked for a clarification of his position in that respect. He said that some groups along the northern border are using his name to promote the opposition's armed struggle. Cabezas said that this is happening in La Cruz, Las Brisas, Guapinol and in the vicinity of Upala. "Those in charge of these actions are very close to the Chamorro Rapacciolli Brothers and Alejandro Martinez, men who were previously my friends," he stressed. Finally, Cabezas said that he maintains his support for the Sandinist revolution, which he is ready to defend at any time. [Text] [PA300441 San Jose LA NACION in Spanish 19 Mar 82 p 10A]

ANTICOMMUNIST DEMONSTRATION--San Jose, 31 Mar (LATIN-REUTER)--Police spokesmen reported today that about a dozen people were injured during an anticommunist demonstration in front of the Soviet-Costa Rican Culture Institute. A short confrontation occurred last night when about 50 members of the rightwing Free Costa Rica Movement (MCRL) were marching toward the institute to burn a Soviet flag in protest of the Soviet intervention in Central America, Poland and Afghanistan, MCRL leader Bernal Urbina said today. "We were marching peacefully when we were suddenly attacked with sticks, chains and were even shot at," he added. The police spokesman said that those who were injured were members of the MCRL and communist sympathizers. A member of the institute, who asked not to be identified, said that the MCRL demonstrators tried to attack the building. Police sources said that the incident is being investigated. [Text] [PA010429 Buenos Aires LATIN in Spanish 2241 GMT 31 Mar 82]

CSO: 3010/1223

ICRT DIRECTOR ON ISLE OF YOUTH INTERVIEWED

Havana JUVENTUD REBELDE in Spanish 4 Mar 82 p 2

[Report on interview with ICRT director Dagoberto Consuegra by Sergio Colina; date and place not given]

[Text] "Programming for young people is fundamental in our broadcasts, given the fact that the immense majority of the population is young; hence, Radio Caribe's fundamental efforts are aimed at this objective," ICRT [Cuban Institute of Radio and Television] director in this special municipality Dagoberto Consuegra told JUVENTUD REBELDE]

"A total of 18.48 hours a week," he added, "are devoted to programs clearly designed for young people, independently of the fact that for the rest of our musical, educational or other programs we do not lose sight of the fact that the audience is fundamentally young.

"Nor can we forget," he went on to say, "that, as in other countries, the radio must take care of an infinite number of obligations inherent in the industry because its function is to reflect everything that happens in the region, nationally and internationally, and to cover everything of interest to the people.

"We have programs devoted to the CDR [Committees for the Defense of the Revolution], the people's government, the FMC [Federation of Cuban Women], public health, science and technology, parents and teachers, sport, culture, farmers, educational programs, etc., which means that young people, especially here where this segment is dominant in population statistics, are included in this message to the population in general."

Consuegra said that, because of the importance of education in the municipality, with its more than 50 schools in rural areas in addition to its elementary and other kinds of schools, a major portion of the programs are aimed at this important sector.

"Therefore," he added, "it is no wonder that our broadcasts open every day with the program 'Good Morning, Students,' directed by the ESREC [Basic Secondary Farm School] and IPUEC [Preuniversity Farming and Academic Institute] whose objective is to prepare youths for the activities of the day and to keep them informed, all this while they get up in the morning, wash themselves and breakfast. This is

followed by the morning news which is heard in all the schools and is part of the morning schedule, during which educational guidance, national and foreign news are imparted. Both programs include musical selections."

Radio Caribe does not forget the presence of African and Nicaraguan students, for whom there are two programs, on which the announcers themselves are scholarship holders, and the music that is heard on both programs is played by fan clubs of these schools.

Many other, varied programs are devoted to the student population, some with definite profiles.

Young workers also receive special attention, since this segment represents 50 percent of the municipality's labor force, not only through its program "Youth, Year 23 [since the revolutionary victory]," but on other programs, especially educational ones, on which their creative effort is daily reflected.

"We will continue to struggle," the Isle of Youth ICRT director concluded, "to see to it that every day of this station's broadcasts responds more and more to the interests of young people, as befits this island, while we make an effort, and will always do so, to raise the quality of our programming to higher levels, as they and all of our people deserve it to be."

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CSO: 3010/1139

NATIONAL INFANT MORTALITY DOWN IN 1981

Havana JUVENTUD REBELDE in Spanish 26 Feb 82 p 1

[Article by Luis Hernandez Serrano]

[Text] In 1981 an infant mortality rate of 18.5 per 1,000 live births was recorded in this country, the lowest in our history and under what was anticipated.

Dr Sergio del Valle, a member of the party Politburo and minister of public health, announced this when he read the report on the balance sheet for the ministry's activities this year to over 600 delegates and guests from all over the country at MINSAP [Ministry of Public Health] headquarters.

The minister noted that this was achieved along with the lowest maternal mortality rate attained in the nation since the maternal and infant care program began, 40.4 per 100,000 live births, despite the dengue epidemic that afflicted us, which demonstrates the capability of socialist public health.

He said that, with a rate of 14.5 per 1,000 live births, La Habana was the province with the lowest infant mortality rate in the country, while the highest, 23.4, was recorded in Guantanamo.

He announced that the number of medical care beds had risen to 46,212, that is, 1,795 more than in 1980. He emphasized Cuba's success in the campaign against hemorrhagic dengue and with regard to it he asserted that there was no other country in the world where there had been such a deployment of forces to combat an epidemic such as this one and stop its spread in such a short time.

He also stressed the significance of Commander in Chief Fidel Castro's support and presence for public health workers during the most dramatic moments of the epidemic.

"His example spread throughout the staffs of the party and the government at all levels," he said. Referring to biological warfare as part of the aggressive policy utilized by the imperialists against Cuba these past few years, he emphasized that epidemiological vigilance and rapid and timely information are vital at the present time in detecting any abnormal situation of a biological or chemical nature that might unleash the enemy on our country.

He congratulated over 13,000 12th-grade students ready to join the Carlos J. Finlay Medical Sciences Detachment, the first contingent of which will be composed of 3,800 students, on the worthy step they had taken.

He acknowledged the work done by the FEEM [Federation of Middle School Students] and the UJC [Union of Young Communists], as well as by the MINED [Ministry of Education] and the MES [Ministry of Higher Education], on this task directed by our commander in chief. He said that this year there would be over 17,000 Cuban doctors in the country and that more than 2,500 health workers offer their services in 26 countries.

He cited the fact that at the World Pediatrics Congress held in Mexico in 1968 it was revealed that malnutrition kills one child every 56 seconds, 1,500 a day and over 5 million a year in Latin America alone.

And in view of doctors' solicitude for the underdeveloped world, he suggested that this balance sheet be concluded with a declaration of principles in which our people's internationalist spirit is taken note of and health workers make themselves available to lend their aid in saving lives in any part of the world.

He said that this 5-year period should be decisive in creating the bases for greater promotion of overall health and implementing plans for reducing myocardial infarctions, arterial hypertension, obesity, sedentarism and their complications. "We must work seriously on the country's hygiene picture and on the field of environment, and be capable of consolidating the theme of not only giving people more years of life, but more life in those years."

11,466

CSO: 3010/1139

NEW 'MORNING MAGAZINE' TV SHOW REVIEWED

Havana EL CAIMAN BARBUDO in Spanish Jan 82 p 27

[Article by Bernardo Marques Ravelo: "Welcome Magazine"]

[Text] On 18 October a rumor spread throughout the island. A new television program had invaded Cuban homes almost without previous warning: "The Morning Magazine."

The next day this staff writer occupied a seat in the living room of his home in front of the television camera and between skepticism and surprise allowed himself to be directed by Mariana Ramirez Corria and Eddy Martin until after 0900 hours.

Today, a little over 2 months after that, we have more than enough information to attempt a commentary.

Under the direction of Danilo Sirio and on an ICRT [Cuban Institute of Radio and Television] News Department program — or segment as it is called in television jargon — the offering has demonstrated how much can be done on the small screen if, behind its infinite labyrinths, the goal of delivering a quality program exists... and if the goal is achieved as an unappealable curfew.

The program direction is outstanding. And as for the animation, we saw Mariana Ramirez Corria a few times, although fleetingly. Now, in front of the implacable camera ("live and direct," as bad announcers say) one should project oneself even more spontaneously without, of course, losing the necessary distance the job demands. And as for Eddy, unlike most of his colleagues, he distinguishes himself because of his sobriety, but opposed to this is his position as a sports narrator, an image ineluctably associated with his presence. Nevertheless, Mariana and Eddy have successfully handled their important role these past few months and with expertise in persuading us without babbling — and with very few points in common — to go on watching the television program.

One of the many Achilles' heels of our television industry is its lack of imagination, said with absolute respect and bluntly. I am aware of the pressure of work to which the directors are subjected. I know that they are responsible for the direction of scheduled programs — several at a time — week after week. And this is wearing.

Whenever the topic "panic is spreading" is tackled, the resulting irritation knows no bounds. But I do not want to discuss this in depth because the analysis would require an essay, not an article. I merely want to point out why it is a Damoclean sword that may endanger "The Morning Magazine."

Daily directed by the same person, the program has until now had the rare virtue of not having begun to repeat itself.

Supple, dynamic, with a cut and print — to use the language of the cinema — which maintains a good pace from the first few minutes right up to the last few seconds, the program covers topics of current political, economic, social and cultural interest in the country while touching with extraordinary amenity on the most relevant aspects of international importance.

While "Tele-Closure," its predecessor, died a natural death — a 14-carat bore, hard to beat — the "Magazine" is a challenge and an effort that should not be neglected, the failure of which would be the responsibility of all of us. With very few resources — lamentable — it is capturing the attention of a diverse of interests which includes young people, children, adults, old people, men and women.

Attempting to explain this, this writer believes that its success is due to its format and audacity, to the harmonious utilization of every element capable of contributing, as small as it may be. With its flexible structure — which makes it possible to insert a Cuban or foreign musical selection, animated cartoons, interviews, telephone calls and "relays" to other studios — the program has the freshness, the grace and charm of something well done.

But the "Magazine" can be more, has to be more, and can be — if it not already is — a point of departure. An archetype that may be the opposite of an archetype.

Right away, they will have to look for new formulas for expressing things, because they wear out, as old Pero Grullo says. But we will also have to attentively follow this program which has no reason to be envious of top quality foreign programs — except for the color.

11,466
CSO: 3010/1139

SCIENTIFIC SEARCH WITH USSR IN EXCLUSIVE ECONOMIC ZONE

Havana MAR Y PESCA in Spanish Dec 81 p 28

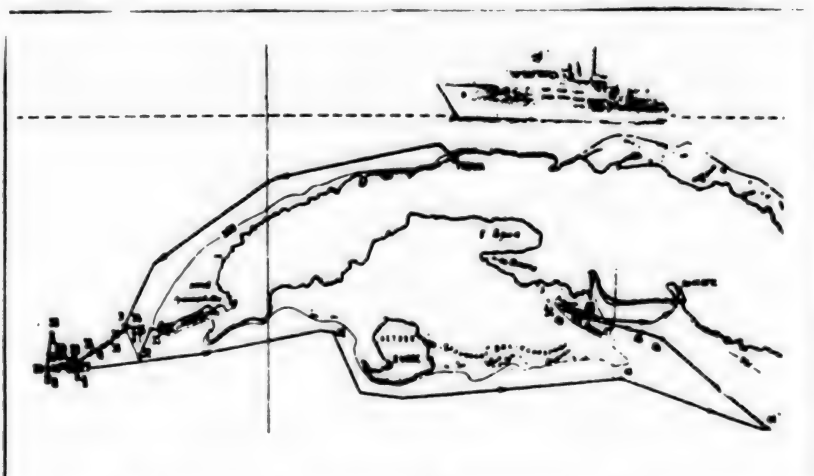
[Extract from BOLETIN DE LA ACADEMIA DE CIENCIAS DE CUBA]

[Text] As part of the cooperation agreement between the Academy of Sciences of Cuba and the Soviet Academy of Sciences, there was a joint expedition of their oceanology specialists on the ship "Academico Mitislav Keldish" recently. Academician Vitale Boitov headed the expedition.

The Cuban scientific collective included Dr Otmara Abello, doctoral candidate in sciences, and engineer Leopoldo Blazquez and engineer Jorge Foyo, specialists in marine geology and physics.

The trip began in Havana Bay, continued to the Yucatan Channel area, the southern coast of Cuba to Cienfuegos Bay, the Golfo de Cazones, Cienaga de Zapata and finally back to Cienfuegos.

During the 12 days of on-board research, the Cuban scientists basically studied the areas with fishing importance for our country. The studies included marine physics, marine geology, etc.



First trip made by the "Academico Mitislav Keldish" research ship in waters of the exclusive economic zone of Cuba

As is established in the bilateral pact between the Cuban and Soviet Academies of Sciences, this trip opens the way for other joint expeditions with scientific objects.

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CSO: 3010/1092

ACTIVITIES OF LUJAN VAZQUEZ SHIPYARD DESCRIBED

Havana MAR Y PESCA in Spanish Dec 81 pp 14-19

[Article by Luis Ubeda]

[Text] That warm afternoon in June will never be forgotten by the Manzanillo fishermen. The final liberating revolution had assumed power 6 months before and was working to carry out the platform announced in "History Will Absolve Me": children without doctors or schools, workers without work, peasants without land and high rents. In other words, that horrible legacy of 57 years under the pseudorepublic was being wiped out by the laws dictated. In the midst of this wholesome activity, the just and human cause of the revolution reached Manzanillo that warm afternoon in June in the person of its commander in chief.

"Fidel arrived looking at everything, asking about everything, walking rapidly and talking. He told us that the fishing sector was backward and that we had to convert it into a large industry. Right there he gave us a check for 200,000 pesos to begin the cooperative and the shipyard which were born the same day and were, in principle, the same thing."

Eduardo del Valle Carbonell told us this anecdote 22 years later. He is now programmer at the Andres Lujan Vazquez Shipyard in Manzanillo. A veteran fisherman and worker at the shipyard since 3 July 1959 when the first building went up, del Valle has witnessed the notable growth experienced by the center during this time.

A few months later--7 January 1960, to be exact--the first of the 31 Sigmas that the shipyard would build was launched. They would be joined by the Omicron, Eta, Lambda, Golfo and Sondero models, all made of wood. The ferroconcrete line of lobster and ice boats was introduced in 1971.

Inside the Shipyard

Inside a building 100 meters long, 60 meters wide and 12 meters high, more than 250 workers and technicians have the responsibility of creating the following ferroconcrete models: IV (shrimp boats 18.25 meters long), VI (fishing boats 16.16 meters long), VI-A (ice boats 16.16 meters long), Jaruco (fishing boats 10.25 meters long) and a new fishing boat 12.9 meters long.

Last year the Andres Lujan Vazquez Shipyard completely fulfilled its construction plan of 46 ships. It is making good progress to fulfill the present plan of 43 ships.

Work organization of the forces directly involved in production is divided into two large groups: hull and fittings. Each group has five brigades. For example, the hull group has brigades for cutting and shaping, prefabricated parts (frames, etc.), structure assembly, mesh assembly and casting and forging. There are also brigades for fittings, painting, electricity, carpentry and finishing.

There is also an independent brigade for the equally important ship repairs. This collective takes care of ships from the fishing complexes in Santa Cruz del Sur, Camaguey Province, and Manzanillo and Niquero in Granma Province. Its 1981 plan which was certainly satisfactory as of September totals about 250,000 pesos.

Inside, the shipyard looks like a gigantic beehive. To my left, a group of men assembles the structure or skeleton of the ship which is made up of steel bars that form the stem, sternpost, engine room, etc. A few meters back, orange drops of solder seal the points of union of the stern. In that same direction or assembly line, other men lay the mesh of the "skeleton" of the ship. In the back, with the sea as backdrop, a dozen workers cast the hull of an iron ice boat in the midst of the clamor and the voices of men calling for more mixture and ferroconcrete technicians pouring it on the mesh. To the left of the huge building, the fitting brigades do their jobs quickly. Here the carpenters can be heard working on the roundhouse. Inside the ship, plumbers install pipes and more pipes, electricians lay hundreds of meters of cable and painters give a second coat to the bow hatchways. All of this is done so well that the Manzanillo collective has managed to reduce the production norm of 5,824 man/hours for the construction of a ship 16.16 meters long to only 4,832 man/hours.

As a Reminder

After studying in Paris, a French peasant, Jean Louis Lambot, designed a concrete ship in 1848. At the end of the century, another Frenchman, Carlos Gobellini, took the experiences of his countryman and built a concrete boat. Nevertheless, the combination of iron and concrete in ship construction is due, at the beginning of this century, to the genius of an Italian doctor, P. L. Nervi, who coined the term ferroconcrete.

In Cuba, the ingenious technology was first applied in 1969 at the Chullima Shipyard in Rio Almendares. Ferroconcrete ships are now constructed in the shipyards of Cienfuegos, Gibara and Cardenas in addition to Manzanillo. This has made it possible to renovate the platform fleet ships.

The reader could ask what the advantage of these ships is. In the first place, ferroconcrete permits assembly-line construction like wood or steel does. In the second place, wood now has a high price in the world market due to its scarcity. It also requires advanced technology to work it (ship carpenters) which is not true for ferroconcrete technicians. Also ferroconcrete decreases the drydock time because of the simplicity of repairs and less need for maintenance than wood or steel. Finally, the ferroconcrete hull is not affected by corrosion like steel or by shipworm like wood.

Shipyard Figures

The collective of the Andres Lujan Vazquez Shipyard has the spirit that reigns in all 13 municipalities of the province: to celebrate 26 July 1982 in Granma.

Since the enterprise fulfilled the physical and value plan every year of the 5-year period 1976-80, it seems likely that it will not have difficulty successfully achieving the goals of the present year.

Nevertheless, when we visited the center, we observed that fulfillment of gross production and mercantile production were 95 percent and 81 percent respectively as of October. During that period, the planned gross production was about 1,549,000 pesos while real production totaled 1,465,200 pesos. The mercantile plan was 1,569,000 pesos but it only reached 1,272,700 pesos.

Therefore, it is necessary to redouble efforts in the last quarter of the year in order to end 1981 with these important indicators fulfilled.

The road might be filled with difficulties of every type and must be cleared. No one doubts that this collective of Manzanillo workers who were capable of producing 193 ships with a plan of 188 in the last 5-year period and also capable of creating value of 9,925,000 pesos with a plan for 9,615,000 in the same period will make every effort to overcome them.

We trust that the workers of the Andres Lujan Vazquez Shipyard will know how to live up to this as they have in the past. From one end of the country to the other, the working class fights and wins in its pledge of production for defense and defense for victory!

Fulfillment in Physical Units and Value During 5-Year Period 1976-80

<u>Year</u>	<u>Physical Units</u>		<u>Percent</u>
	<u>Plan</u>	<u>Real</u>	
1976	41	42	102
1977	47	47	100
1978	39	43	110
1979	15	15	100
1980	46	46	100
	<u>188</u>	<u>193</u>	<u>103</u>
<u>Value (in thousand pesos)</u>			
1976	2,460	2,520	102
1977	2,820	2,820	100
1978	1,990	2,090	105
1979	900	900	100
1980	1,445	1,595	110
	<u>9,615</u>	<u>9,925</u>	<u>103</u>

Basic Steps in Construction of Ferroconcrete Ships

- a) Structure: Bars are cut and shaped to form the skeleton of the ship.
- b) Mesh, seams and anchorage: The mesh consists of several layers of exterior and interior hexagonal net, all connected with clamps. The anchorage is the placement of supports for the pieces of wood or steel (engine mount, tunnel for the propeller shaft, etc.).
- c) Casting and forging: Already meshed, the hull is fused with Portland cement, silica sand and other materials. Then comes the curing process when water is poured on the fused part for a certain length of time. After the curing, there is the hydraulic test.
- d) Assembly: This includes carpentry work, mast assembly, cabinet work and placement of the deck pieces (rudder, roundhouse, berths, etc.).
- e) Fittings: This means installation of the mechanical equipment, pipes, masts, etc.
- f) Painting, electricity, finishing and launching: The ship is painted inside and outside. The electrical mechanisms of the engine, position lights, cabin lights, etc., are put in place. The third step covers manufacture of fuel tanks, supports for rollers of the engine bench, etc. Launching means mounting the ship in the cradle for launching.

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CSO: 3010/1092

MADRID PAPER INTERVIEWS FMLN LEADER

PM311105 Madrid EL PAIS in Spanish 28 Mar 82 p 2

[Interview with Salvadoran Farabundo Marti National Liberation Front (FMLN) general command member Jaquin Villalobos by Enrique Muller: "If Civilian-Military Junta Offers Path of Peace, We Will Take It"--date and place not specified]

[Text] Question: Since October 1979, 30,000 Salvadorans have died. Is it worthwhile continuing to struggle under these conditions to inherit a country of dead men?

Answer: It is not we who wanted that number of casualties. Since April 1980 the FMLN-Democratic Revolutionary Front [FDR] has been demanding as broadly representative a government as possible. We have even accepted that sectors of the army should take part in this solution.

Question: But this has apparently not been expressed clearly. Above all, you have insisted on armed insurrection....

Answer: Perhaps the proposals were not as clear as they are now, but the doors to an understanding have always been open.

Question: Apparently, no other possibility is left. Despite spectacular military strokes, such as the attack on the Ilopango Air Base, there is still a military deadlock....

Answer: There is no deadlock in our advances, despite the fact that the massive consignments of arms to the government junta have perhaps created the illusion of equality.

Question: The guerrillas destroyed a considerable part of the air force at Ilopango. However, 1 week later the United States had replaced the destroyed helicopters and aircraft, even with more modern equipment. Can you still continue to contemplate victory?

Answer: I believe so. Because the United States can send helicopters and aircraft, but it cannot send the army morale. Our attack has made the armed forces look foolish.

Question: Is that sufficient?

Answer: Yes, we have caused insecurity and disorder within the army. According to our information, 2 officers and over 25 enlisted men are in detention suspected of collaborating with us in the attack at Ilopango.

Question: Do you really believe that you are in a position to win the war?

Answer: Yes.

Question: What makes you believe that the people are now prepared for a rising?

Answer: First, because after 1 year of war, we have not been defeated. On the contrary, they have been able to see how the army has worn itself out, has lost morale and is suffering internal tensions, such as the ousting of Gen Jaime Abdul Gutierrez. On the other hand, we remain just a few kilometers from the capital in our positions; for instance, Guazapa, where they have not moved us, despite the constant bombing. The population has seen this.

Question: And second...?

Answer: By means of our three radio stations we have broken the news blackout and can report on the progress of the war.

Question: Despite the palpable differences existing within the FMLN, is not the fact that there are three radio stations an indication of differences?

Answer: There have always been problems with unity. In comparison with our political and military advances, those differences have very little importance. We have three radio stations to demonstrate in this way our ability to multiply these instruments.

Question: Or because each faction wishes to gain greater political influence...?

Answer: That is also natural. The revolutionary movement need not necessarily be monolithic; it is right that the different currents should seek, precisely in the issue of seizing power, to take part in unity.

Question: In the letter you sent to President Reagan you mention a peace offer. What are you offering?

Answer: We wish to avoid repeating past mistakes and to guarantee the seriousness of the offer, instead of using it as propaganda.

Question: What are the FMLN-FDR's items for negotiation?

Answer: There are two principal items: the formation of a government and the resolution of the military conflict.

Question: That is obvious. But how are you to start talking? [former junta member] Majano says that you cannot talk with Napoleon Duarte, Jaime Abdul Gutierrez and Guillermo Garcia.

Answer: We are prepared to talk with anybody. I would not make a list. If the junta offers a path of peace, we will take it.

Question: Would you sit down at a table and talk with Gen Guillermo Garcia, when he is responsible for the kidnapping of your father and brother?

Answer: We have struggled for 10 years and much blood has been shed. If such a meeting could make a solution possible, I would do so.

Question: [FDR Chairman] Guillermo Manuel Ungo has said that he does not wish to talk with puppets but directly with Washington.

Answer: In order to reach negotiations we must first make military advances. Even our enemies realize this. That is why they themselves insist that the 28 March election is the political solution. Whereas we wish to demonstrate the contrary.

Question: The problem of the army remains. What is to be done with the two armed forces--the army and the guerrillas?

Answer: We are not the only armed power in the country. We will have to build a new army which can guarantee peace. And there are sectors of the army which are on our side.

Question: What Adolfo Majano calls "honest officers." But what will you do with the national guard and with the political police, which have done the dirty work?

Answer: That very point will be a matter to be negotiated.

Question: In international organizations like the OAS it is still being said that the election is the solution....

Answer: The OAS resolution does not necessarily mean support for this election; it merely demands a political solution. I do not believe that the Latin American countries view this election as a solution.

Question: But the FMLN-FDR has never attempted to demand participation in this election. Why not do so, perhaps, with the presence of international observers?

Answer: You have mentioned the 30,000 dead in this war. In such a situation an election cannot be held. We are opposed not to an election but to an election under these conditions. Even if some countries are in favor of negotiations, only declarations of war are heard in Washington. Recently, even, 60 new military advisers arrived in Honduras: the refugees in the border areas have been moved. There is often talk of the marines....

Question: And if they intervene?

Answer: That is the risk we must run? The other alternative would be to abandon all that we have built in these years of struggle.

Question: Will the war continue even with the marines?

Answer: We will continue to struggle, but it will be the beginning of a new war. Just as the January 1980 offensive was the beginning of our victory, such an intervention will be the beginning of a victory for the whole of Latin America. If it falls to us to play that role, we are prepared to do so.

Question: The hardening of the U.S. position is due to the fact that you have received outside assistance....

Answer: The people and the revolutionary movement of El Salvador have a right to secure the means and instruments wherever and whenever necessary.

Question: So you have in fact received assistance from Cuba?

Answer: When we receive assistance, it does not necessarily mean that we become the instrument of a specific political stance. We have also purchased arms in the United States, and the "arms for El Salvador" collection made by the Berlin daily newspaper TAGESZEITUNG [as published] succeeded in raising over DM2.5 million (about 110 million pesetas) in 15 months.

Question: Nicaragua's [word indistinct] Tomas Borge said that an attack on El Salvador would also be an attack on Nicaragua. Is it possible that Nicaragua would fight on your side?

Answer: The Nicaraguans must be asked that. But we are certain that the whole of Latin America will know how to respond to an invasion of that kind.

Question: Would that mean an internationalization of the conflict?

Answer: That is so. Such an intervention would also be an attack against the democratic governments of the continent, against countries like Panama which have proclaimed principles such as self-determination and independence. The internationalization will not be solely military; it will also be political.

Question: Who else would intervene militarily? Honduras or Guatemala?

Answer: Guatemala's army is under constant pressure from the revolutionaries in that country. In Honduras only a part of the army is working with the Americans and Salvadoran troops. There are internal differences there.

Question: Are the revolutionary groups Marxist, despite their differences, or is there another ideological definition?

Answer: Our movement has been very independent from the outset, but the inspiration for revolutionaries comes, of course, from the revolutions which have been carried out--hence our Marxist inspiration.

Question: Are you not in danger in this field of being used by the Soviet Union? They are more interested in improving their trade with the Argentine dictatorship than in the revolutionaries who are dying today in Central America....

Answer: The United States should realize that it will have to accept new relations on the continent, but this does not imply a new dependence on the USSR.

CSO: 3010/1225

DEMOCRATIC FRONT PRESENTS DEMANDS TO JUNTA

PA011411 Guatemala City Cadena de Emisoras Unidas in Spanish 0030 GMT
30 Mar 82

[Text] Managua--The Guatemalan Democratic Front against repression called on its people's organizations as well as other patriotic and democratic sectors to demand that the military junta, born of the coup d'etat last week, immediately fulfill the most cherished aspirations of the Guatemalan people.

The communique published in Managua today, presents 14 demands on the military junta that overthrew General Lucas. These are:

1. Immediate cessation of repression in all its manifestations.
2. Immediate dissolution of paramilitary groups and other repressive bodies.
3. Freedom for the 3,600 persons kidnapped and missing during the 44 months of the Romeo Lucas regime.
4. Public trial and severe punishment of Romeo Lucas Garcia, his ministers, officials, deputies, army chiefs and officers as well as the police responsible for the genocidal crimes against the Guatemalan people in which 22,800 persons were murdered in 44 months.
5. Public trial and severe punishment for illicit enrichment, illegal appropriation, looting of the national treasury and corruption sponsored by the government's weapons to commit crimes against the people's interests.
6. Immediate dismissal and trial of all officials, chiefs and officials who hold posts in the present regime and who are responsible, who abetted or who participated in the corruption and crime of the Lucas Garcia administration.

All these persons should be prohibited from leaving the country and all those who are abroad should be extradited for trial. Further, all funds, goods and real estate should be confiscated from these people, both at home and abroad.

9. [as heard; 7 and 8 not heard] Indemnization of the victims, disabled persons and relatives of victims as well as orphans, widows, fathers and mothers of victims of repression. Indemnification of towns affected by

bombing of houses and huts and by the destruction and robbery of stored harvests and food carried out as part of the scorched, earth policy implemented by the army and auxiliary forces.

10. Guarantees for the return, with security, for all exiles and persons persecuted for political reasons.

11. Based on the junta's proposals of respect for human rights and international commitments made by previous administrations, and since Guatemala is a signatory of the UN and OAS human rights conventions ILO international labor agreements, the UNESCO, WHO and FAO food agreements, we demand:

- a. Unrestricted respect for the supreme right of all human beings to life.
- b. Respect for the full enjoyment of democratic rights and freedoms.
- c. Respect for the right to free people's and labor organization.
- d. Respect for the right to free expression of thought.
- e. Respect for the right to meet and hold public demonstrations.
- f. Respect for religious practices, according to the individual convictions of Guatemalan citizens.
- g. Respect for the right to the inviolability of domicile.
- h. Respect for the right to culture and demands of the Indian population.

12. In view of the economic crisis affecting the people's sectors we demand that all investigations lead to social and economic development and that no military spending be made.

13. Rejection of all foreign military aid because it is detrimental to national sovereignty and independence.

14. Considering the social and economic costs [words indistinct] of the military junta [words indistinct] participating in any military adventure against brother countries in the region.

CSO: 3010/1220

FAR REPRESENTATIVE: COUP LEADERS REPRESSIVE

PA311835 Havana International Service in Spanish 0000 GMT 31 Mar 82

[Text] Today we have interviewed (Ileana Lopez), member of the rebel armed forces, FAR, which is one of the four political and military organizations of Guatemala that comprise the Guatemalan National Revolutionary Unity [URNG].

(Ileana), it would be interesting to know your opinion and that of FAR regarding the coup d'etat. What is the present situation in Guatemala following the elections and the coup that took place only 3 weeks after the electoral farce?

[Answer] The coup d'etat in Guatemala was a maneuver carried out by the [words indistinct] gang with some elements of the army which, by the way, is an institution specialized in counterinsurgency operations. They found a solution to their desperate situation in Guatemala as a result of the crude electoral farce won by the official candidate, Anibal Guevara.

This situation stirred up the conflict that exists among the various fractions of the dominant class.

[Question] Could it then be said, (Ileana), that imperialism was not pleased with the results of the elections?

[Answer] We think that since the electoral farce was so crude, so evident, that the conflicts among the bourgeoisie were surfaced and this created the unrest and support that imperialism has undoubtedly given to this sector of the army that has been imposed, through a de facto government, one that will not solve the Guatemalan situation.

[Question] Will the conflicts within the oligarchy continue?

[Answer] We think that they will (?continue). Apparently (?the army) is intact and the image of cohesion continues. There has not been a break within the army itself, but undoubtedly, the coup solution was applied so that imperialism could provide massive aid not only in the form of weapons

and military training but also in the form of an economic injection in view of the serious and terrible economic crisis. This is what imperialism made possible with the coup. The possibility of doing this during the regime of Romeo Lucas or during Anibal Guevara--who had won the electoral farce--was buried because these regimes were internationally discredited.

We must not forget that these persons they have now put up to head the de facto government also do not have any moral worth. They are equally committed to repression. The person who heads the junta, Rios Montt, is responsible for the (San Quilchan) massacre [words indistinct] and the other two that accompany him have also been involved in indiscriminate repression against the Guatemalan people.

[Question] (Ileana), the URNG has charged that the coup was part of U.S. plans aimed at stopping the struggle of the Central American and Caribbean people. What is the position of the political and military organizations since the coup? Do guerrilla activities continue?

[Answer] We are aware of the fact that the problems of Guatemala will continue with this or any other government. The only way out for the people is the arrival of a [words indistinct] democratic, popular revolution just as the URNG has stated. Therefore, we continue with the struggle and we advance with the struggle. We know that this is the only solution and we are [words indistinct], as is the case of FAR in the various guerrilla fronts in Peten department where we have just inflicted 20 or 25 casualties on the Kaibiles, which is the army's special force, during an ambush in the municipality of La Libertad. This is our answer.

As member of the URNG, FAR, which is engaged in the people's revolutionary war, is present in the struggle as it has been for the past 20 years.

We have never given up the armed struggle in Guatemala.

CSO: 3010/1220

PATRIOTIC UNITY COMMITTEE MEMBER EXPLAINS GOALS

PA301845 Havana International Service in Spanish 0000 GMT 26 Mar 82

[Report by Pedro Martinez Pires]

[Text] Representative personalities of Guatemala, intellectuals, workers, peasants and other sectors, recently established the Guatemalan Committee of Patriotic Unity [Comite Guatemalteco de Unidad Patriotica]. Radio Havana Cuba today interviews one of its members, (Gabriel Sismata), a migrant workers since he was 14 years old and member of the Mam Indian group.

[Begin recording] [Question] Why did you form the Guatemalan Committee of Patriotic Unity?

[Answer] This committee was established in view of our country's situation. We saw that our people are only used as tools. They are discriminated against and repressed. All of the people who understand how the people should live joined together to see how we can help our people. This is why we formed this committee of patriotic unity.

[Question] In other words, you support the proclamation of unity of the four military-political organizations of Guatemala?

[Answer] Yes, that is why we have wanted this committee to be based on the points that the Guatemala National Revolutionary Unity proposes.

[Question] Gabriel, it is reported that more and more peasants and Indians are joining the revolutionary people's war in Guatemala every day. Is this true?

[Answer] Yes, this is true companero. The Indian peoples are massively joining the revolutionary struggle. This is very evident. This is due to the fact that the people are aware. We now see that the peasants and the Indians have greater participation in the struggle, because they are aware that it is not proper for this system to continue and for the people to continue the suffer.

[Question] Do you think the Guatemalan peasants, Indians and people have no other path but that of the people's revolutionary war?

[Answer] Yes, this is very important for the people and what they are carrying out. Despite all the repression, discrimination and terror carried out by the Guatemalan government, the guerrilla forces are developing their actions through attacks, confrontations and particularly through sabotage against the bloodthirsty army of the Guatemalan ruling class, which is supported by imperialism. We see that the people are now undertaking a single path, that of revolutionary people's war.

CSO: 3010/1220

NEW FOREIGN MINISTER EXPLAINS POLICY TO PRESS

PA301412 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT
26 Mar 82

[Text] Luis Alfonso Alonso Lima, the new Guatemalan foreign minister, was sworn in before noon today. He was appointed by the ruling military junta to replace Eng Rafael Castillo Valdez. Alonso Lima, who was deputy minister, was appointed because of his brilliant background and honesty.

Manuel de Jesus Giron Sanchez, private secretary to the junta, swore in the new foreign minister in the presence of the principal department chiefs of the Foreign Ministry.

On swearing in the new foreign minister, the private secretary said the appointment was in recognition of his brilliant performance and probity. All personnel present applauded the new foreign minister.

Giron Sanchez asked everyone's cooperation with the new foreign minister, to get the job done in these difficult moments for the country when the military government junta has taken the reins in search of peace and tranquillity for the fatherland.

The military junta wants friendship and commercial relations with all countries, regardless of ideology, Foreign Minister Alonso Lima told our correspondent, (Adan Rios Guerra). Friendship and commercial relations will be sought with all countries, regardless of ideology--even if different from that of our government--because this is what the new military government junta wants, the foreign minister said. Speaking with characteristic experience, Alonso Lima noted that several countries have been asked to recognize the military junta governing the country.

He noted that the job of the Foreign Ministry is have the nations of the world recognize the new government, installed to achieve peace and tranquillity for the nation and to put an abrupt end to administrative corruption.

Referring to Guatemala's diplomatic service, the new Guatemalan foreign minister said everything related to ambassadors, consuls, and other employees will be restructured, although everything will remain as is for the moment.

Regarding relations between Guatemala and Spain, Foreign Minister Alonso Lima said that an in-depth study is being made. Once concluded, this study will of course be submitted to the military junta for a decision on the steps to follow.

Regarding Belize, the military junta will issue a pronouncement. Regarding the problem of the Guatemalan territory of Belize, the new minister of foreign affairs said that a communique or pronouncement will be issued. Responding to newsmen's questions, he noted that this pronouncement will contain the thinking of the members of the military junta governing the country.

Foreign Minister Alonso Lima said that, as has been practice, he will maintain constant relations with national newsmen so that they can take their news to all the inhabitants of the country.

The Foreign Ministry has no knowledge of two former ministers requesting asylum. Foreign Minister Luis Alfonso Alonso Lima said that he has no official knowledge about two former ministers requesting asylum at some embassy. The question was raised because it had been reported that former Economy Minister Valentin Solorzano had requested asylum in the Mexican Embassy. It was also learned that diplomat and former congress deputy Jose Trinidad Ucles Ramirez had sought asylum in the Peruvian Embassy.

Foreign Minister Alonso Lima said that if anyone has sought asylum, when we learn about it we will study each case separately.

CSO: 3010/1220

BRIEFS

OPPOSITION PLANS--Several members of the Guatemalan Patriotic Unity Committee, [Comite Guatemalteco de Unidad Patriotica, CGUP], here in Nicaragua, unmasked the military coup in their country and revealed that the new government junta intends to repatriate exiles in Mexico. [Begin recording] [unidentified speaker] Regarding the coup perpetrated in Guatemala, I want to say that it came as no surprise to the Guatemalan Revolutionary Forces. All Guatemalan organizations at various levels were aware that the electoral farce would not work and that a coup d'etat was coming. Therefore we were fully prepared for it. The reply by the masses was, in the first place, to strengthen the attitudes of the political-military vanguard, which will play an important role. In the second place, we are waging a campaign to protest and unmask this coupist junta, because we know that it is the product of a U.S. imperialist maneuver designed mainly by Reagan and because the dominating classes and the army, in view of the existing crisis, could not find a political solution to their problem. As regards that, the masses have been involved in protests to make the people aware of this. On previous occasions, during the Mendez Montenegro regime and others, there was an apparent democratic opening, but student and labor leaders, outstanding professionals, clergymen and others who expressed opinions were kidnapped, tortured, exiled or murdered shortly afterwards. [end recording] [Text] [PA311410 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 30 Mar 82]

HUMAN RIGHTS COMMISSION--Mexico City, 26 Mar (NOTIMEX)--The Guatemalan Human Rights Commission distributed a communique in Mexico today regarding its stand on the military coup in Guatemala on 23 March. The commission maintains that for the new regime to obtain a minimum of credibility from the people regarding its plans, it should immediately put former President General Romeo Lucas Garcia and his high-ranking cabinet officers on trial. Other points mentioned as necessary by the communique are: the effective disarmament of paramilitary and paramilitary police groups and of all other repressive groups; information on whereabouts of citizens who were kidnapped or "disappeared" and whose families have never heard where they are. The commission asks for the ratification of all international pacts and agreements concerning human rights and compliance with them; determination of responsibility of all the officers of the Lucas government for their illegal enrichment and embezzlement of public funds. The communique also states that [the new government] should issue effective guarantees for the function of trade union organizations, popular movements and democratic

organizations and respect the organizations and members of religious groups, allowing them to do their work. Finally, the commission asks for respect for the peasant population which, it states, have suffered the highest degree of government repression, causing them in some cases, to seek refuge in neighboring countries such as Mexico, Belize and Honduras. [Text]
[FL262336 Mexico City NOTIMEX in Spanish 1955 GMT 26 Mar 82]

CSO: 3010/1220

PAZ BARNICA SAYS NO TO U.S. BASES IN HONDURAS

FL021925 Mexico City NOTIMEX in Spanish 1743 GMT 2 Apr 82

[Text] Mexico City, 2 Apr (NOTIMEX)--Honduran Foreign Secretary Edgardo Paz Barnica said today that the peace plans for Central America proposed by Mexico and Honduras are not at odds with each other. He added his country will not allow the installation of U.S. military or counter guerrilla bases in his country.

The Honduran official was interviewed at the end of his 20-minute meeting with Mexican President Jose Lopez Portillo at the official Los Pinos residence.

He said his government is not willing to allow weapons or forces to come out of Honduran territory to threaten the democratic stability of the other nations of the area. The official described as exaggerations reports by an international news agency about statements made by the commander of the Honduran Armed Forces to the effect that his country would be willing to allow the United States to intervene militarily in Central America.

He explained that in his talks with President Lopez Portillo, no mention was made of any future high-level meeting between Mexico and Honduras to coordinate Central American peace plans.

The diplomat emphasized that Honduras now has a democratic government, and said that it will never allow its territory to be used to destabilize other governments. He declared that there are no groups or classes within the new democracy of the Honduran regime that could be called military or civilian.

He reported that his government will shortly invite Nicaraguan authorities to begin a constructive dialogue. He admitted that there were isolated incidents with Nicaraguans, especially at the border, but he asserted that they never went beyond that, and that care had been taken not to increase tensions. He reiterated that there are no counter guerrilla or Somozista camps in Honduras.

On another subject, he asserted that no mutual aid pact existed between the Honduran Army and other armed forces such as those of Guatemala or El Salvador.

Edgardo Paz said that the United States intends to help in the reconstruction of Honduran airfields but he made clear that they were not military airfields.

Lastly, he underscored the importance of the peace plans proposed by Mexico and Honduras, which, he explained, are different in parts but in substance are not in conflict.

CSO: 3010/1224

BRIEFS

PEACE PLAN--Buenos Aires, 1 Apr (NA)--A peace plan for Central America proposed by the Honduran Government was presented to President Leopoldo Galtieri by three personal envoys of Honduran President Roberto Suazo Cordoba. Edgardo Numa Rodriguez, Miguel Facusse and Enrique Aguilar last night met with Galtieri and asked him for Argentine support for the above proposal, which had been presented to the Organization of American States [OAS]. At the end of the meeting, they said that the plan contains "ideas and suggestions to promote peace" on the basis of dialogues among Central American countries, disarmament, noninterventionism and the creation of a multinational peacekeeping force. They said that Honduras maintains "a peaceful position" toward Nicaragua and El Salvador and disregarded recent charges made by the Sandinist government of Managua. They noted that Honduras is willing "to open its borders" to observers of the continent "to prove that the alleged military preparations do not exist." The Honduran envoys had made similar contacts earlier with the governments of Chile and Ecuador. [Text] [PY012100 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1157 GMT 1 Apr 82]

OIL MARKETING COMPANY--The national government has decided to dissolve the Petroleum of Honduras Company created during the administration of Gen Policarpo Paz Garcia to handle the marketing of Venezuelan crude oil. Economy Minister Gustavo Alfaro announced today that both the government and the armed forces bank have agreed to conclude the existing trust contract and to take steps to dissolve the company. This company was created with an initial capital of 1 million lempiras, of which 600,000 were contributed by the government through a trust given to the armed forces bank. Under government instructions, the Economy Ministry will be in charge of buying crude and reconstituted oil for local refining. The Central Bank will be in charge of the corresponding documents, on the basis of a previous agreement guaranteeing the immediate payment of the letters of credit. According to Alfaro, the company was dissolved in response to the government's intention to channel resources toward top priority areas. In future, the petroleum marketing office, which is attached to the Economy Ministry, will negotiate the purchase of oil in Venezuela. According to the minister, its personnel will be reduced, since its new functions do not call for a large number of employees. [Excerpt] [PA311544 Tegucigalpa Compania Televisora Hondurena in Spanish 0130 GMT 30 Mar 82]

CSO: 3010/1224

ALARM EXPRESSED OVER HAIG STATEMENT

Mexico City EXCELSIOR in Spanish 5 Mar 82 p 6-A

[Editorial: "Guatemala in the Gunsight"]

[Text] A new source of tension is being revived in Central America: Guatemala. The statements of Secretary of State Alexander Haig to a group of LOS ANGELES TIMES journalists are highly worrisome because they seem to be aimed at involving our country in the already grave Central American crisis by subjecting our country to very serious direct and indirect pressures.

Haig warns of what, in his judgment, is the inevitable perspective that in a few weeks or months Guatemala may become a problem similar to that of El Salvador, which would be an "extremely big threat to Mexico." He then states that his country already is tackling the problem and that "a certain urgency exists to resolve it" because "time is running out and the United States must intervene quickly."

Indeed, there is a crisis situation in Guatemala, but it is not new. The Guatemalan people have been struggling for many years, under unsatisfactory conditions, for the right to enjoy a worthy life within a framework of a democratic system and of freedoms that have been denied them.

The truth is that the Guatemalan and Salvadoran crises have the same root cause and, for reasons that have nothing to do with the will of the people, are being taken to extreme solutions in which violence is the only valid language and destruction and death are the only practical results.

We are not concerned over the outbreak of the people for their freedom. But, we are concerned that this freedom has to be attained at the expense of enormous sacrifices; and we wish that they could attain this goal through reason, dialogue and negotiation.

We also are concerned that General Haig wants to involve Mexico in that crisis since Washington's interests in our country are threatened.

9925

CSO: 3010/1066

EFFECT OF CARIBBEAN BASIN INITIATIVE QUESTIONED

Mexico City EXCELSIOR in Spanish 25 Feb 82 p 6-A

[Editorial: "Prudent Aid"]

[Text] The aid plan "for the Caribbean region" conceived by President Reagan will be viewed carefully by those who think that the U.S. aid is a euphemistic formula to hide its own interests. Suffice it to say that the provision of arms, equipment and money to the region's militaristic governments are covered under that same aid concept.

The terms in which the president wraps up the idea of that aid infer that it should be considered carefully, above all regarding the "prudence" claimed as the deciding factor. To "do whatever is prudent and necessary to ensure the peace and security of the Caribbean area" is a vague statement whose meaning could range from the shipment of food and medicine to arms and destruction.

This estimate is sustained by Reagan's repetition of his thesis of "preventing the emergence of new Cubas in the hemisphere," which could be interpreted as a decision to maintain the people under the militaristic dictatorship which causes popular reaction.

The great truth asserted by the U.S. chief executive is his admission that "economic problems provide new opportunities to the enemies of freedom." Actually, the problems are not only economic, for the exploitation of people goes hand-in-hand with the sacrifice of their freedoms.

It can be asserted beforehand that merely sending funds will not be enough to drive away the discontent of the people in the nations caught up in revolution. Surely, such funds will be diverted or badly used, and only in extreme of optimism could it be assumed that the United States seeks to take it upon itself to rehabilitate the economic, social and political debacle that is spreading over the region.

9925

CSO: 3010/1066

PSUM CONGRESS SPLIT ON LEADER, IDEOLOGICAL POINTS

Mexico City EL DIA in Spanish 15 Mar 82 pp 1, 7

[Article by Angel Aguilar]

[Text] The Mexican Unified Socialist Party [PSUM] failed yesterday to reach an agreement in electing its secretary general and decided that the central committee would determine that appointment as well as the make-up of the political commission and other governing bodies next Tuesday.

Also, the plenary session of the First PSUM National Congress, by a majority of 249 votes, rejected a proposal by the board for the substitution of the party definition "Marxist-Lenin" for "democratic socialist." In this respect, the congress opted for maintaining the definition approved in the original documents.

Another initiative by the board which was also rejected by the plenary session, was that of incorporating the concept of "dictatorship by the proletariat" for the original text which proposes the "democratic power of the workers." Another concept raised for discussion was that of "proletariat internationalism" which remained simply "internationalism."

Furthermore, the electoral congress, constituted at the end of the congress, voted for Ivan Garcia Solis, Jose Dolores Lopez, Jose Encarnacion Perez and Raul Rea Carvajal to head the lists of plurinominal candidates to the Chamber of Deputies.

The plenary meeting of the central committee, in a meeting that lasted approximately 45 minutes yesterday afternoon, decided to postpone the election of the secretary general, the political commission and other governing bodies until this Tuesday, according to reports to EL DIA by Miguel Angel Velasco, a member of the committee.

The election of the central committee was completed yesterday in the early morning hours, having begun Saturday evening. On the committee, 35 former members of the Mexican Communist Party [PCM] predominate, followed by a lesser number of former members of the Mexican People's Party [PPM] (with 20 members), former members of the NAP and finally, the former leaders of the Socialist Action and Unity Movement [MAUS], the last two of which had only three members elected to the central committee of PSUM.

According to a list provided to the communications media regarding the election of the first central committee of PSUM, the following delegates led in the voting:

Alejandro Gazcon Mercado (PPM-362 votes); Valentin Campa Salazar (PCM-361); Arnoldo Martinez Verdugo (PCM-325); Roberto Jaramillo Flores (Socialist Revolutionary Party [PSR] 323); Rito Teheran Olguin (PCM-307); Gilberto Rincon Gallardo (PCM-300); Carlos Sanchez Cardenas (MAUS-303). The other two former leaders of MAP and MAUS, Rolando Cordera and Miguel Angel Velasco, received 285 and 225 votes, respectively.

At approximately 1 pm, the party's Second Electoral Congress was installed to elect, on one hand, the 100 plurinominal candidates in the four regions into which the country is divided politically; and on the other hand, to ratify the elections of the uninominal candidates and the candidates for senator elected by the state legislatures 20 days previously. The congress looked into alliances, those independently established completely with the UIC, OS [Socialist Labor Party] and CS, and with the Revolutionary Workers Party and the Democratic Social Party in the state of Puebla.

The list of plurinominal candidates was headed by Ivan Garcia Solis, Jose Dolores Lopez, Jose Encarnacion Perez and Raul Rea Carvajal, elected by the congress which also authorized the central committee to proceed with the election of the rest of the electoral roll for proportional representation.

9787

CSO: 3010/1117

PRICE CONTROLS IMPLEMENTED THROUGHOUT COUNTRY

Stores in Violation Closed

Mexico City EXCELSIOR in Spanish 25 Feb 82 pp 1-A, 23-A

[Article by Jaime Contreras Salcedo]

[Text] The Secretariat of Commerce (SECOM) yesterday began a national operation against businessmen who have speculated with their goods, changed price tags and hoarded goods, or were trying to raise prices to levels that are "scandalous and out of the reach of the majority of consumers," Domestic Commerce Undersecretary Efren Franco asserted last night. He also announced that for such reasons at least 15 big stores have been closed down in the Federal District.

Liverpool, Sears, Aurrera, Sumesa, Palacio de Hierro and Larin head the list of "big" businesses that have been closed since yesterday "until they normalize their situation and set their goods at the prices that prevailed before 1 February," the official said.

Franco explained that SECOM officials acted on the decree published in the official gazette yesterday. The decree stipulates that as a result of the current peso exchange rate, "there have been in some sectors unjustifiable and excessive price increases, hoarding, refusal to sell, and other abuses that must be prevented and suppressed" so that a few do not benefit at the expense of the national economy and of the consumers, particularly the workers.

Therefore, he explained, an operation was begun yesterday throughout the country "in compliance with current laws and, as a result, certain stores of the Aurrera supermarkets, and of Sumesa, Liverpool, Sears and Palacio de Hierro already have been closed down."

The SECOM director of standards, Hector Bayardo Moreno, personally confirmed the closing of these stores. He explained that a similar operation is being carried out throughout the city "as well as in all SECOM districts in the interior of the republic. Therefore, the entire weight of the law will be applied to those who try to overreach themselves."

Principal Violations Incurred

He emphasized that the principal violations incurred by the businesses that were penalized consist of false information, changing price tags, "the ferocious price violations on many general consumption goods and other similar violations."

Two sandwiches and a glass of beer cost 900 pesos at a place of business known as "Sancho Panza," he asserted. "Such prices hurt not only the income of the consumers but also the entire principle of representative authority," he explained.

He recalled that the inventories of the stores have had almost no serious drops to justify the price rise. He went on to say that reports of alterations of prices or services will be taken care of "immediately" because "more abuses as a result of the new monetary situation we are experiencing" will not be allowed.

Bayardo reported that a similar operation is being carried out on Victoria and Lazaro Cardenas streets in the center of the city. Employees were caught changing price tags on merchandise and their supervisors could not deny it. As a result, it was reported, the Oxxo store in Polanco, Aurrera in Ejercito Nacional and Sumesa in the same area, already have been closed down.

The official announced that the necessary papers are being prepared to close other businesses, and that the list of businesses closed in the interior of the country will be released today. Bayardo Moreno explained that the owners of these businesses "tried to overreach themselves" and paid no attention to presidential appeals and of SECOM officials themselves, "not even of their own leaders who repeatedly had told them not to change the prices so as not to fuel inflation."

As of last night, SECOM officials had closed down a total of 15 stores: Liverpool, Sears, Palacio de Hierro, La Baguette (specializing in pies and other pastries), Larin (chocolates), Joyeria San Angel, the so-called Sancho Panza (restaurant), Aurrera, Sumesa, Oxxo, two automobile financing agencies for refusing to provide the vehicles previously agreed upon, and two automobile sales businesses.

In the case of the jewelry store, information lacking from import permit records on the 20-percent duty on gold and silver items and other administrative failures were uncovered.

Lastly, Efren Franco emphasized that the country must be protected from the action of speculators "and to this end we officials will be at the proper places to take care of complaints." He further emphasized that the government operation will "last as long as necessary."

Housewives in Front of SECOM

In the morning, a group of housewives stood in front of the SECOM offices to ask the proper authorities for greater vigilance on prices "because many goods like milk and fish are out of the reach of our purchasing power," asserted Graciela Dragonnete de Montemayor who led the group.

At a press conference, the women reported constant price violations and asked for an end to the uncontrolled actions of private businessmen who have taken advantage of the peso devaluation to raise prices "with impunity."

Businessmen Act Negatively

Mexico City EXCELSIOR in Spanish 25 Feb 82 pp 1-A, 19-A, 30-A

[Article by Jaime Contreras]

[Excerpt] Some private enterprise leaders yesterday rejected the price control policy, saying the government acted "hastily, which will cause mistrust and will have an unfavorable effect on small and medium industries." Meanwhile, Jose Luis Ordonez, president of the Mexico City Chamber of Commerce (CANACO), asked that the controls be implemented "as fairly and as quickly as possible so as not to discourage production."

The representatives of COPARMEX (Employers Confederation of the Mexican Republic), CONCAMIN (Confederation of Industrial Chambers), and CANACINTRA (National Association of the Processing Industry), Jose Luis Coindreau, Alfonso Pandal and Samuel Macias Jimenez, respectively, said they did not "agree too much" with the government action of imposing official controls on almost 5,000 goods because the government did not take into account that historically "controls discourage production, promote shortages and foreign exchange drain and, consequently, cause higher prices."

For his part, Ordonez said the controls will not cause a confrontation between sectors and he denied that credibility and confidence in the country had been lost. "Our problem now is economic, not economic-political as in 1976," he said. Moreover, "there was no deceit on the change of the sliding free-floating exchange rate of our peso or on the price controls on goods since there were prior warnings in this regard," he added.

The CANACO leader appealed to his membership that they do not undertake panic buying or fall into a "fear psychosis" because that would result "in an excessive demand market overnight and, therefore, high prices that necessarily would generate more inflation which could result in demands for higher wages."

COPARMEX: Police Methods

COPARMEX leader Jose Luis Coindreau criticized the "police" methods of officials whose "verbal excesses" do nothing but "affect the indispensable ingredient of trust in economic activity."

Furthermore, the management official denied that there had been massive price relabeling. He said "there are entire cities where industry and business have pledged to abide by the measure although it hurts their working capital." They, he added, "have responded by holding down prices, although a change on these already would have been justified because of the inflation and devaluation."

Coindreau admitted that the workers are sacrificing themselves and have not asked for emergency wage increases. He said, however, that "the business sector also is feeling the effects and is absorbing the new monetary situation as much as possible." He therefore suggested that the government "should truly cut its budget" to slow down the inflationary process.

The least the government should do, he emphasized, is to respect the temporary agreement on the stipulated 90 days for the measure to become effective. Otherwise, "the country's economic development will suffer enormously," he warned.

Coindreau asserted that the requested budget cut "would preclude continued losses for those who have had them, would effectively cut the legs of inflation and we then would be in an inflation reduction trend which permits holding the hope for a better future for all sectors."

CONCAMIN: Not Too Much in Agreement

For his part, CONCAMIN leader Alfonso Pandal Graf asserted that he was not "too much in agreement" with the action of price controls on various goods. He said, however, that he does not believe that investments will be held back or that some projects will have serious setbacks as a result of the government action.

He explained that production is guaranteed, no investment will be held back and projects will continue according to the plans made by all the sectors that have influence on the economy.

However, Pandal emphasized that the government must abide by the established 3-month period to maintain said controls; otherwise, the consequences could be worse than what is being sought to prevent and "charges on the course of our economy" would follow.

Discouragement in Industry

CANACINTRA Vice President Samuel Macias Jimenez noted that the measure was "totally hasty" because price controls on many goods will discourage the industrialists who produce them, a situation which will have the unfavorable effect of decapitalization of their factories.

He recalled that quite a few businesses work with a large portion of foreign component parts. "Therefore, they will be unable to replenish their inventories and in a short time the consequences will be worse than the ills we are trying to preclude now," he explained.

He said industrialists find themselves practically without any information on government measures such as this one "which also has the effect that our trade deficit will never be balanced."

Macias suggested that an in-depth study be made of the situation of many businesses "if it is truly desired to adopt a price control policy based on the real facts; otherwise, economic crises will not be solved by medium-term strategies."

9925

CSO: 3010/1067

SECOM CLOSURES FOR PRICE VIOLATIONS CONTINUE

Mexico City EXCELSIOR in Spanish 11 Mar 82 p 5-A

[Article by Jaime Contreras Salcedo]

[Text] Action by the Secretariat of Commerce continues and will continue to be inflexible against "those who abuse the consumer public," declared Hector Ortega, director of prices for the Secretariat of Commerce, yesterday. He indicated that there are already 1,171 establishments which have been shut down throughout the entire country for having been found to be involved in illegal practices.

In the past week alone, the official pointed out, the Secretariat of Commerce [SECOM] has shut down 851 sites at various businesses in the country, which added to the 920 businesses penalized during February, account for the above figure.

In view of the above, the chief of prices for SECOM clearly stated that it is continuing and will continue to punish those businessmen who "violate price controls," and he said that to this date, fines of more than 40 million pesos have been assessed.

Ortega added that the previously mentioned figures are part of the results of investigative and monitoring operations which are being carried out at the national level by 62 federal offices.

Of the last 851 closures mentioned, he said that 46 were carried out in Guadalajara, 8 in Ciudad Victoria, 10 in Laredo, 5 in Mante and 15 in Reynosa, Tamaulipas.

Furthermore, 15 sites have been closed down in Guanajuato, 13 in Leon, 25 in Pachuca, 20 in Queretaro, 26 in Puebla, 20 in Durango, 17 in Gomez Palacio, 32 in Mexicali and 10 in Ensenada.

Five businesses were reported closed down in Tijuana, 20 in Culiacan, 10 in Los Mochis, 11 in Mazatlan, 55 in Veracruz, 25 in Jalapa, 15 in Poza Rica, 16 in Tuxpan, 15 in Coatzacoalcos, 10 in Ciudad Juarez, 4 in Chihuahua, 46 in Toluca and 5 in Texcoco. "The rest of the closures correspond to other cities in the interior of Mexico," he added.

Ortega commented that the consumer can register accusations and complaints in the state offices of SECOM and can also seek redress in the various delegations of the federal prosecutor's office of consumer affairs located in most towns in Mexico.

He added that to date, an average of 2,000 daily complaints have been registered about price changes, price tag alterations, terms of sale or failure to comply with contracts made before the devaluation.

He emphasized, however, that the best price monitor is the consumer himself, because the anomalies contribute to the detriment of his family spending, and SECOM cannot make much progress if it cannot rely on the full participation and cooperation of the public in making known its problems, he concluded.

9787

CSO: 3010/1117

BRIEFS

CROSS-BORDER BUSINESS FIGURES--Ciudad Juarez, Chihuahua--Since late 1977 the people of Juarez have been spending 70 percent of their income in El Paso, according to data of the Planning Committee for Border Development. Enrique Moreno Alvarez, the committee's coordinator, said that in comparison the spending percentages in 1970 were 60 percent in El Paso and 40 percent here. The people, he said, have been going to El Paso, Texas, to satisfy their slightest consumer needs although the same goods are available here. The economic situation of Juarez changed in 1974 with 80 percent of the income remaining here, and this continued until 1975. When the peso was devalued in 1976, 95 percent of the income remained in Juarez and only 5 percent was spent in El Paso. [Mexico City EL SOL DE MEXICO in Spanish 21 Feb 82 p E-2] 9925

CSO: 3010/1066

PLENIPOTENTIARY MINISTER ON INDEPENDENCE ISSUE

Willemstad AMIGOE in Dutch 25 Feb 82 p 3

[Speech by Ronnie Casseres]

[Text] "The Hague should actually be informed by mail of our choice of our political future." Thus spoke Plenipotentiary Minister Ronnie Casseres last week at the opening of the "stadium generale" at the Erasmus University of Rotterdam on the subject "the colonial status of the Caribbean area." The "stadium generale" will go on through Friday next week.

Mr Casseres began his speech as follows: "The only real call to freedom our islands ever heard, was smothered in blood in 1795 by the Dutch in power. He alluded to the murder of Tula, the leader of the slave revolt. At the same time he sharply rebuked the church which succeeded in extinguishing the last flames of rebelliousness. On the basis of these incidents the abolition of slavery was strangely enough not felt as a right acquired by the slaves but as a present from King William III. "These feelings of gratitude and devotion were by all means kept alive by the government and the church. It partially explains the lasting apathy of the people towards attempts to obtain some form of autonomy."

"After Tula there has never been a craving for autonomy, or for real independence."

Dependence on the Netherlands actually increased under the Statute of 1954 via development assistance. The debt of almost 600 million guilders is proof enough. Dutch civil servants and businessmen succeeded in obtaining rather powerful positions in the Antilles. He quoted from Dr Jaap van Soest's book Oil like Water: "The apparently political retreat of the Netherlands was accompanied by a remarkable economic and cultural expansion." Casseres adds: "This is very good and concise description of the neo-colonial process." That neo-colonial process was at its peak exactly when the Antillian economy was also riding high. It stood then in the way of the urge to obtain independence. The colonizing nation has not yet lost any of its power according to the plenipotentiary minister. Manifold were the frustrations of young Antillians who did not gain the confidence of their compatriots and remained unable to gain the authority Dutchmen, expert or not, succeeded in establishing.

All kinds of calls to freedom, including recognition of the language, could so be nipped in the bud. Instead, fear of the Antillian future was invoked. "I am convinced that this fear and these doubts are the biggest obstacles to political independence of the Antilles."

He then begins to expose what is called on Aruba the "process of independence."

Without denying Aruba its right to independence he is forced to admit that what is really meant is independence from Curacao. That it is nothing more can, according to him, be seen in the Aruban memorandum submitted at the summit conference of the realm where it states "that it is Aruba's point of view that the alliance with the Netherlands does not end when Aruba chooses independence." It goes on to demand numerous guarantees from the Netherlands and it is difficult to find a more vivid token of devotion."

Nevertheless it mentions the struggle for independence frustrated by Curacao resulting in confrontation between the two islands while they should stand shoulder to shoulder as brothers. This diminishes the ambition of the people of the islands to obtain real independence. Independence not wanted by the people but imposed by the Netherlands would be very disastrous. "The people would not be willing to accept the sacrifices imposed by independence and they would rebel." Independence should be an evolutionary process from within and reach completion at a certain point in time. It means that people who are ready for independence are actually already independent. If need be, they would declare themselves unilaterally independent or even resort to force.

He concludes that the process of reaching this moment has not yet begun in the Antilles. The plenipotentiary minister says: "We are fighting among ourselves under the disguise of a false concept of independence and become further entangled in a net of uncertainty and lack of confidence in ourselves. It is ironic that this should be the case with the people of the Antilles who possess various elements to take that ultimate step, they have in this respect an advantage over many other countries. The statute allows a certain degree of autonomy which diminishes the difficulty of transition. The economic and social structure is by no means perfect but it can nevertheless be called unique in the Third World. The Antilles are already citizens of the world because of their relations with all kinds of peoples over many years. It should be possible to reach agreement with other nations on territorial integrity.

The choice the Antilles will make should not be influenced by the Hague. Ronnie Casseres said in conclusion: "The last thing we need is that Dutch government leaders and civil servants play a leading role in determining our political future. However, to achieve this we should realize in time that what keeps us separated and confused is no product of our own soil but was forced upon us during centuries of colonial rule. A breakthrough to start the process towards independence will therefore never be found as long as we believe that the Netherlands should come up with the models for the solution. The process towards independence and consequently the choice of our political future is something only we can initiate using our own resources. We should actually inform The Hague by mail of the nature of our choice.

10319

CSO: 3105/124

'BARRICADA' EXPLAINS NEED FOR CIVIL DEFENSE

PA290908 Managua BARRICADA in Spanish 23 Mar 82 p 3

[Editorial: "There Is Only One Answer to a Thousand Forms of Aggression"]

[Text] The massive and disciplined response of the organized people to the call to civil defense and military preparation has not been unanimous among minority groups within the Nicaraguan society. We can add that these minorities do not hold the same ideas and for this reason it is easy to understand why imperialism does not find in the country important social support for its plans of aggression.

This consideration is valid from a practical point of view, that is, if it involves the formation of an action plan to be carried out by significant forces derived from sectors not in agreement with the revolutionary process. From the ideologic point of view, things are different. The bourgeoisie, the lumpen and backward groups, have negative or false ideas about the aggression and the war threats made against our country, and this, objectively speaking, has a tendency to weaken the civil defense.

So far, this attitude, apparently, is spontaneous and the result of logical class reactions and ideologic deformities. But it could also be an attitude being promoted by the enemies of the revolution. These ideas, basically, range from seeing the people's mobilization against aggression as an "alarmist" position to the idea that an aggression is possible only if it comes dressed in a U.S. "Marine" uniform. Other manifestations of these ideas are just as important and as negative.

There are many examples: There is the traitorous bourgeoisie which believes "that the governing party has the obligation to defend the country," thus poorly disguising its eagerness to have an armed intervention that, if successful--as some people hope--would pay good dividends to that social group. There are also those who see aggression only in the form of an armed U.S. aggression. Although they claim they do not agree with that, they believe it unnecessary to prepare militarily because "that type of aggression won't come" and if it comes "then we will see." Of course there are always those who want armed aggression to succeed because, as they see it, everything "was better before."

It is obvious that most of the people do not share these points of view but not sharing them is no insurance against the difficult situation that these aberrations could create at any given moment, especially if the multiple forms that the imperialist aggression has taken are not understood.

The aggression is here, everywhere, in many forms and it has been this way since the triumph of our revolution. There are production saboteurs, economic destabilization and decapitalization. There are the terrorist operations that bring death and destruction, the attacks in the country's north and espionage from the air. There is the international pressure; there are the efforts to isolate Nicaragua, the plots and the sea maneuvers. There is the distorted news, the slander and the lies.

None of this is beyond the plans of aggression or beyond the will of imperialism because these are measures aimed at weakening our defense capacity. The attitudes that have been mentioned could have the same objective. The habit that could arise from daily seeing and facing these forms of aggression could lead to seeing such situation as something "normal" and this, in turn, could lead to the conclusion that the only form of aggression is an armed intervention and, consequently, if there is no armed intervention, this could lead to passivity.

The purpose of the civil defense is to be able to respond to an armed aggression, but this can be also a permanent disposition, which would diminish the possibilities of an aggression taking place. Whatever sacrifices are made now to improve the civil defense mechanisms will always be smaller than the sacrifices that would have to be made in case of a direct aggression because this would bring destruction and death, and this would make the reconstruction of the country more costly and the historic goal of a new society more remote.

Therefore, let's have a clear and alert mind and a sharp eye because at this moment they are essential ingredients of the civil defense.

CSO: 3010/1221

Article 3. The Finance Ministry will use the patriotic patrimonial tax statement [declaracion del impuesto patriotico sobre el patrimonio] as a basis for determining net value for tax purposes. However, taxpayers who have experienced a change in their net value should present a complementary tax statement to reflect their true net value as of 28 February 1982. This complementary tax statement must be presented prior to 31 July 1982.

Article 4. The general provisions of the patriotic patrimonial tax law, Decree 161 of the Nicaraguan National Reconstruction Government junta, published in official gazette No 66 dated 24 November 1979; and its regulations, published in official gazette No 70 dated 11 March 1980, Decree No 53, will be applicable to the patrimonial tax established herein insofar as it does not contravene any of the dispositions of this law.

Chapter II. Collection surcharge.

Article 5. Beginning today an additional 10-percent surcharge is hereby levied on the total amount to be paid by taxpayers in 1982 for income tax, chattel tax, real estate tax and the tax on the sale of real estate.

In the case of income tax, the surcharge will be 5 percent of the total tax to be paid on any amount lower than 5,000 cordobas. Any amount over and above this figure will be subject to a 10-percent surcharge.

This additional surcharge will be levied even if the tax is paid after 31 December 1982.

Chapter III. General provisions.

Article 6. The Finance Ministry is hereby empowered to issue the regulations required to implement these measures.

Article 7. This law will go into effect as soon as it is made public by any member of the media. This will not affect its publication in the official gazette, however.

Issued at Managua on 31 March 1982.

[Signed] Sergio Ramirez Mercado, Rafael Cordova Rivas, Daniel Ortega Saavedra.

CSO: 3010/1221

HUNGARY, FPR CONCLUDE COOPERATION AGREEMENT

PA302356 Managua EL NUEVO DIARIO in Spanish 25 Mar 82 p 12

[Text] At a time when the Sandinist revolution is being threatened by U.S. imperialism, the patriotic Front of the Revolution (FPR) and the People's Patriotic Front of the Hungarian People's Republic have signed a 3-year bilateral cooperation agreement that will strengthen the friendship, relations and solidarity between the two peoples.

The agreement was signed yesterday at the Hungarian Embassy in Managua. Ambassador Janos Kiss signed for Hungary and Gustavo Tablada signed for the FPR.

The Hungarian diplomat said that the signing of this agreement establishes wider cooperation, which, he was certain, would bring positive results for both peoples.

He said that, in accordance with this agreement, in the next few days two Nicaraguan revolutionary delegations will travel to the Hungarian People's Republic to see the progress of the new Hungarian society.

He also disclosed that his government has agreed to offer 10 people, who cannot be treated locally, a trip to Hungary for medical treatment.

Professor Will Travel

In accordance with the Hungarian offer, a National University professor will travel to that socialist country to undergo very delicate eye surgery.

To Further Strengthen Relations

Gustavo Tablada said that this agreement is the result of a visit that FPR delegates paid to the Hungarian People's Republic a few months ago. He stressed that this agreement will further strengthen the two countries' friendly relations.

On the same topic, Adolfo Evertz [director of the Nicaraguan Poultry Enterprise] said: "While yankee imperialism tries to attack the revolution of financing counterrevolutionary bands, socialist countries such as Hungary give the revolution solidaristic support. We must notice this difference."

CSO: 3010/1221

BRIEFS

RADIO CATOLICA--Managua, 31 Mar (ACAN-EFE)--Radio Catolica de Nicaragua, the Episcopal conference station, resumed broadcasting today following its 15 March suspension by the Interior Ministry's communications media directorate. The Sandinists ordered the closure of the station because it had reported, without prior official authorization, the demolition of two bridges in northern Nicaragua. The 15 days during which it was closed were used to install new studio equipment, which was donated by FRG Catholic bishops. The managers of the station, headed by Father Bismarck Carballo, told ACAN-EFE today that the station has special programming ready for Holy Week and that arrangements are being made for the transmission of the liturgy on the passion and death of Jesus Christ. [Text] [PA010012 Panama City ACAN in Spanish 1559 GMT 31 Mar 82]

SOVIET TRACTORS--While the Salvadoran Military-Christian Democratic junta spends millions of dollars buying arms from the United States to assassinate the Salvadoran people, the Nicaraguan Revolutionary Government has obtained heavy construction machinery in the USSR. Our Corinto correspondent reported today 159 tractors arrived at that port, and that this is part of the heavy machinery purchased by our government from the USSR through long-term, low-interest loans. This machinery will be used in the construction of penetration roads to facilitate access to zones where basic grains are produced but where the peasants cannot take their crops out because of the lack of good roads. So, there is a clear difference: while the Salvadoran junta buys arms, our government buys tractors to carry progress to remote Nicaraguan areas. [Text] [PA301650 Managua Domestic Service in Spanish 0000 GMT 28 Mar 82]

RESETTLED MISKITOS--Guerrilla commander William Ramirez, Atlantic coast minister and Sandinist assembly member, has said that the Miskitos in the new settlements are rebuilding their own future. Houses are being built to eliminate the provisional tents and the land is being prepared for planting in May. They have also been provided with food and clothing, Commander Ramirez added. He said that economic aid has been received from friendly countries and peoples, although the central government has covered most of the expenditures. [Excerpt] [PA010305 Managua Domestic Service in Spanish 1800 GMT 31 Mar 82]

CSO: 3010/1221

COLUMNIST DEFENDS U.S. GENERAL NUTTING

PA292015 Panama City LA PRENSA in Spanish 29 Mar 82 p 6A

[From Mario J. de Obaldia's column: "Without Rhyme or Reason"]

[Text] Someone seems to be urging the local "comrades" to adopt a stronger position in regard to our relations with the United States. All of a sudden, the government newspapers, influenced by the local leftists, have unleashed a campaign of alleged national enthusiasm over the entry into the canal zone of the Panama police. What they are really trying to do is to show the world that we Panamanians are overjoyed because the Americans are leaving.

The image that they are presenting is that Panamanians view the U.S. policemen as enemies, which greatly distorts the truth of what is happening: Panamanians feel proud and pleased that we are now going to administer what is ours, without foreign (we hope it will never be Russian) intervention.

In his speech to the Panamanian Association of Business Executives (APEDE), General Nutting said that the southern command has 10,000 soldiers ready to be sent to any country in the continent that might require them in an emergency.

This statement by the general immediately caused Minister Ritter to issue a strong reply, accusing the yankees of having not 10,000 but 20,000 (I wish there were 100,000) soldiers in Panama in readiness for offensive operations, in violation of the treaties, which speak only of defense--as if to fight the communists here or at the North Pole were not the same thing: the defense of democracy! Minister Ritter's statement has led me to write the following verses:

"The general testifies
that he has 10,000 G.I.'s
who are on an alert stand,
to give us a helping hand,
Latin Americans must not despair,
'cause when the going gets tough
if their request they should air
they will get aid enough
the government minister is nettled,
saying that through this offer
in our domestic affairs they have meddled
Nutting doesn't give a pennynail
about reaction to his speech,
whoever wants to use blackmail
and has forces ready to hit the beach
I hope it's a commie and doesn't turn tail.

CSO: 3010/1222

'LA ESTRELLA' UNDERSCORES NEW RESPONSIBILITIES

PA011955 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Apr 82 p 4-A

[Editorial: "A New Stage"]

[Text] A new stage in the long, difficult and painstaking process of recovering our full national sovereignty, which fortunately culminated with the Torrijos-Carter treaties, ends today. The ultimate objective will be achieved in a few years--very few indeed--when we will attain full sovereignty over the waterway, which will then be rightfully called the Panama Canal because it will belong to Panama and to nobody else.

With justified satisfaction and pleasure shared by all Panamanians with deep patriotism, several official ceremonies are being held today to underscore and enhance the profound significance of these events because, starting today, several services which were previously in the hands of U.S. authorities are being transferred to Panamanian jurisdiction under the treaties.

The colonial enclave which has existed in our territory for so long is about to disappear completely. The stage that ends today is one of the keys in the timetable of gradual elimination of all foreign presence in our territory.

We must not fail to stress in this editorial, however, that it is necessary to reflect on the significance of the transfer of jurisdiction that is being achieved today because, as is always the case, rights always go hand in hand with duties of equal importance.

Starting today, the Republic of Panama is assuming a number of obligations and new tasks that must be impeccably fulfilled and complied with in order to demonstrate to Panamanians and foreigners alike our maturity and ability to undertake bigger tasks and to keep anyone from rightfully claiming that we are making mistakes or blunders. It can be easily surmised, however, that efforts by our authorities and their representatives to exemplarily fulfill their duties under their new powers will not be enough, because, above all, it is necessary that, without exception, all of us Panamanians show with our behavior that we are worthy of and deserve these gains.

This new stage is particularly important, we repeat. However, at the same time, it is only that--a new stage, because the overall process has not ended. It is precisely because we are still on our way that we must adopt and sustain attitudes and modes of conduct which are consistent with our new responsibilities and duties.

END 041071Z

NATIONALIST PARTY ISSUES PUBLIC APPEAL TO PAREDES

PA291611 Panama City LA PRENSA in Spanish 24 Mar 82 p 6A

[Passages within slantlines published in boldface]

[Excerpts] The following is part of a public appeal to Colonel Paredes issued by Olimpo A. Saez and Dr Roberto Arosemena Jaen, members of the National Directorate of the People's Nationalist Party (PNP):

The violent commotion that shook the national guard in the past few days with the surprising dismissal of its top leader, Commander Florez, and of other ranking officers, poorly disguised with an unsought retirement; and with the promotion of outstanding members of officialdom, similar retirements of others and some important transfers, all involving the top echelons of the armed institution, are leading the nation to a grave and perhaps even ominous future.

The entire population, from one end of the country to the other, is perplexed, confused and greatly uncertain because of the violent, although bloodless manner in which the political-institutional developments within the national guard took place. It was obvious that these developments were conducted behind closed doors and that the methods used to make them appear official for public consumption surprised even the highest civilian government authorities. We realize that this is just another chapter in the internal struggle for power that takes place every so often; this time, however, hidden U.S. interests were involved.

This permits the /People's Nationalist Party/ to see, and with good reason, that /for the time being/ the military leaders have not asked themselves if it is advisable for this country to have the national guard general staff continue to wield the power they seized. The 13 years of military government prove without doubt the purposes of this seizure. Without asking themselves any questions, they have simply remained in power.

This brings to mind the great institutional duality created by the "constitutionalized" government of Torrijos: a president who neither presides nor commands, despite the constitution; and a commander of the national guard who, either permanently or at any given moment, exercises all government

functions (executive, legislative and even judicial), disregarding the constitution. This fraudulent duality subdues and darkens the republic's entire institutional existence, constantly resulting in just the sort of grotesque farce that took place on 3 March.

The clear intention of retaining all government authority is made evident in several parts of your statement in Santiago, which appear even in the partial version submitted to the press. You said that the Reagan plan is being analyzed by the general staff and that the general staff is preparing a draft bill so that the "men in uniform may not participate in suffrage, in the vote."

The /People's Nationalist Party/ asks: What are statements by President Royo, Vice President De La Espriella and Foreign Minister Illueca about the Reagan plan worth, if after their statements the general staff tells Royo "what the good parts of the plan are and what directly benefits Panama."

The whole population is concerned by the idea that the general staff, in the words of Colonel Paredes, should take it upon itself to serve the role of /judge of the electoral process/, based on the concept that "there must be someone cool enough and with a judge's good sense, who will see to it that passions do not get out of hand." The 1972 constitution specifies that someone should be the electoral tribunal, which is legally authorized to adjudicate any electoral controversies. The general staff should not, of its own accord, adopt an attitude of electoral paternalism, in complete disregard of the constitution.

Colonel Paredes, these commitments, and the entire sense of the statements you made in Santiago, categorically reflect the goal of an absolute exercise of political power that the general staff is taking upon itself, after having exercised it for the last 13 years.

The economic, political, social and moral disaster that Panama has suffered during this prolonged and dark period, is ample proof of what the military regime, during its long period of military autocracy, has meant to Panama.

You yourself, in turning over the Veraguas military zone command, warned the new local commander that "we do not want a national guard that turns its back on the problems that exist in this province, where there are Panamanians /starving to death"; that "we must alleviate this poverty, without demagoguery and with our feet planted firmly on the ground."

After 13 years of what in "Torrijist" language is termed the "revolutionary process"--the result has been what Colonel Paredes has just said, though he mentioned only one sector: "Panamanians who are starving to death," a people who live in misery. And the primary cause of this is, in fact, the exercise of political power by the general staff, typified by the looting of public funds, scandalous nepotism, tremendous government corruption, the elimination of the weak Panamanian democracy, the citizens' moral

degradation, acquiescence to North America, an irritating social security system, a frustrated national education system, unemployed young people, humiliated public employees and so many other well-known and grave national problems/.

In other words, the continuity of the /police state/, ensconced in Panama since 1968, could lead us irrevocably to situations like those of Argentina, Brazil, Peru, Chile, Nicaragua, Guatemala and El Salvador, where dictatorial and corrupt regimes sowed social chaos, political strangulation and violence--the difference being that in Panama, the North Americans would certainly take action.

The dilemma for the general staff, and especially for you, Colonel Paredes, as the head of that general staff, continues to be this /with the people and their rights, or against the Panamanian people./

For the provincial national directorate of the People's Nationalist Party.

[Signed] Olimpo A. Saez, president; Dr Roberto Arosemena Jaen, secretary general.

CSO: 3010/1222

END OF TRANSITION PERIOD REVIEWED

PA291748 Panama City Circuito RPC Television in Spanish 1730 GMT 28 Mar 82

[Mayin Correa's "Edicion Especial" program with guests Panamanian Foreign Minister Dr Jorge Illueca; Presidency Minister Ricardo Rodriguez, member of the Panama Canal Commission's Board of Directors; and economist Gilberto Perez, Panama's representative on the coordinating committee for execution of article three of the Panama Canal treaties; in Panama City--live or recorded]

[Text] [Correa] Dr Illueca, why is the conclusion of the transition period established in Article 11 of the treaties so important in Panama's history? What is the importance for Panamanians of the developments that will take place on 1 April?

[Illueca] Today's program has great civic significance. The transition period that was established in the canal treaty to bring certain activities to an end--which is essential to the Panamanian nation's free determination, exercise of independence, sovereignty and development--concludes on 31 March 1982. I would say that this is a stellar date for Panama. As of 1 April, the former canal zone will contain only Panamanian courts, with Panamanian judges enforcing Panamanian laws. Thus ends a distressing situation, which humiliated our people: the administration of justice by foreign courts. At the same time, another situation that we Panamanians felt in our hearts also comes to an end: the U.S. police, the foreign gendarmes who, in the very heart of our own territory, made us feel as if we are merely another colony. The jail system, a spiritually oppressive part of that colonial enclave, of that machinery, will also come to an end. This is historically important because it represents the consolidation, or rather an essential step toward the consolidation, of independence. It represents liberation from a status that we had been unable to end after centuries--that of being a Spanish colony, then a Colombian colony, then a U.S. colony. We are now a free and independent state, a people who control their own destiny. This does not mean that the struggle is over, for it will still take a long time, but this is a source of enormous satisfaction for all Panamanians, for we are restoring our territorial integrity, recovering the exercise of our sovereignty in the areas of the law, the police and

the economy, and we are opening new horizons for all Panamanians. I repeat: for all Panamanians, without exception, regardless of party, color or social or economic position. This is a Panamanian victory that we owe to Gen Omar Torrijos and to many generations of Panamanians who fought incessantly for the last 8 decades to bring this situation to an end. This will now take place harmoniously. We all wish this to be an orderly and satisfactory process that spiritually fills us all with civic-mindedness and faith in our country's future.

[Correa] Minister, you did not mention some of the activities that will pass to Panamanian hands. You spoke of the courts and the police, but you did not mention the area of health. Right? It seems to me that you did not. It is a total of five areas, right? Let us clarify this for the listeners.

[Illueca] Sure. I have stressed only those essential aspects dealing with our sovereignty: the administration of justice by Panamanian judges, the exercise of police activities and Panama's takeover of the jail system. These three areas are slated to be completed on the date of the conclusion of the transition period. As for the other activities, it had already been agreed that some would be turned over to Panama right after the treaty was signed, while others, including some installations, will not be turned over until 1 October, when the 3-year period is up. However, if you want me to expand on this ... [Illueca leaves sentence unfinished] I wanted to give my distinguished companions in this forum the chance to explain these things. I would be very glad to give an explanation at the end.

[Correa] Thank you very much Mr Minister. Minister Rodriguez, would you explain about U.S. and Panamanian jurisdictional activities? But let us talk in simple terms.

[Rodriguez] Don't worry, don't worry.

[Correa] It is just that you lawyers always use such terminology.

[Rodriguez] Don't worry, Mayin.

[Correa] Let us talk in simple terms. What does the fact that Panama will be in charge of administering justice in the Canal area, in the Canal Zone area, mean? That there will be no [U.S.] judges, that our laws will be in effect there rather than American laws? Please explain what was included in the treaties to alleviate the differences that exist between the U.S. laws, which will be in effect in the Canal Zone until 1 April, and Panamanian laws. I am under the impression that there is some concern because Americans, for instance, cannot be imprisoned without an arrest warrant issued by a judge or something like that, while we can be arrested first and evidence can be sought later. I have read about a number of worrisome measures in THE SPILLWAY, the paper that circulates in the Canal Zone. There are a number of points and I would like you to explain what measures were taken under the treaty to smooth these differences over or to prevent them from being a source of

concern for either side, so Panamanian justice can be fully administered without negatively affecting the peace or tranquillity of those who work in the Panama Canal area. Could you explain this?

[Rodriguez] Thank you, Mayin, for this chance to stress the significance of 1 April for Panama, as well as the policy of the government--that of Dr Royo, President Lakas and General Torrijos--on the struggle for independence.

In terms of jurisdiction, we can divide it into two, Mayin: One is the enforcement of U.S. laws and the other is the administration of justice itself, with regard to the enforcement of those laws. It has been said repeatedly that the treaties are a process for dismantling the colony that existed since 1903. In other words, some things came to an end when the treaty went into effect on 1 October 1979, while others will gradually disappear during the remaining part of this century, until the year 2000.

One phase concludes on 1 April: the presence and enforcement of U.S. laws in our country. During the 3 years prior to 1 April--that is, from 1 October 1979 to 1 April 1982--it was agreed that U.S. laws could be enforced under certain circumstances: in certain penal cases, in judicial-procedural matters and in certain civilian cases, such as with regard to nonprofitable and profitable societies and corporations, marriages and so forth. As of 1 April, those laws are no longer in effect here in Panama; none of those provisions. Whether a civilian or a [word indistinct] matter, Panamanian laws will be in effect for all cases, Panamanian or American.

[Rodriguez] As for the courts, they were allowed to continue operating between 1 October 1979 and 1 April 1982 to handle those cases pending before 1 October 1979 as well as a very limited number of cases which came later. Now the U.S. courts must close their doors. Any case pending on 1 April must be turned over to the Panamanian judges, who will rule in accordance with Panamanian laws.

We already know, however, that the U.S. judges have been making an extraordinary effort to resolve all their cases. Most probably no case will be left pending. So, on 1 April, our courts will begin exercising total and absolute jurisdiction over the entire canal area, in accordance with what is established in the treaties and without the presence of U.S. judges. The police and jail systems will also disappear. In these practical terms, I have sought to explain the meaning of jurisdiction to you.

Jurisdiction, as you understand, is an essential element of sovereignty. In other words, a state is more or less sovereign to the extent that its jurisdiction over its territory is more or less restricted. By improving our jurisdiction over the canal area, our sovereignty over the canal area has been really and effectively improved. From the standpoint of the administration of justice, this 1 October [as heard] represents the sovereign administration of justice on the part of the Republic of Panama in the so-called canal area.

[Correa] What is Panama going to do with the jails?

[Rodriguez] As government and justice minister I received them long before 1 April.

[Correa] Which jails?

[Rodriguez] Most importantly, the Gamboa jail. There is another one in the area of Cristobal, in Colon, but it is a small, unimportant one. Nonetheless, it is also being transferred to Panama. The most important one is the one in Gamboa. As government and justice minister, I received that one in 1980. We did this before the appointed date of 1 April 1982. At present, that installation is being used for a penal rehabilitation program which places our country among the most advanced in Latin America as regards the treatment of inmates. It is called El Renacer. Special instructions, training courses and even schooling is given there to the inmates, who are sent there after being chosen by expert psychologists, psychiatrists, social workers and so forth. We were careful to do this because we must admit that in the specific case of the Gamboa jail, both the U.S. personnel in charge of the administration of that jail and the canal commission took it upon themselves to turn that jail over to us in the best condition. They gave us everything, down to the very last nail. Everything was completely clean and in perfect condition.

[Correa] Where are the inmates who were serving long sentences and whose time would not be up on 1 April?

[Rodriguez] When we signed the agreement for the transfer of Gamboa jail we also included an agreement on the inmates. Some of them decided to go to the United States to serve the remainder of their sentences.

[Correa] They decided?

[Rodriguez] Yes, they themselves made this decision. During a ceremony attended by both U.S. and Panamanian authorities, they were asked to decide with the help of their lawyers whether they would rather stay in Panama or go to the United States to serve their sentences. Some chose to go to the United States. Others, the Panamanians, chose to remain here. In this manner we cleaned up the jails. A group of the inmates went to the United States, others served their time and finally, others were turned over to our jails.

[Correa] Minister, perhaps I did not explain clearly what I wanted to discuss here. I would like us to discuss the differences that exist between these jails. Why I am concerned over this? I have read that the treaties guaranteed to the United States that the differences between U.S. and Panamanian laws would not affect them. So an adjustment was made. It seems to me that this establishes privileges within our territory.

[Rodriguez] I understand.

[Correa] If this law does not favor me, because it is not as liberal--or perhaps I should say as conservative, whichever the term--as that of the United States, but these residents, or whoever will come under this law, have managed it so that it won't be so [she interrupts line of thought]--I think the U.S. laws are more modern. For instance, that aspect about not being detained unless a judge has issued a warrant seems to me quite modern. Here they detain you and then they judge you. It seems to me that that part of the laws, which affects the citizens very much, the part that concerns individual rights, is better there than here.

[Rodriguez] I see, Mayin. What happens is that your questions are a bit long... [Correa interrupts him]

[Correa] It was a bit long and I did not word it properly.

[Rodriguez] No, I forgot the latter part of the question as I was finishing the first part. The problem of legal guarantees is what you are referring to.

[Correa] That is the right term.

[Rodriguez] That means guaranteeing the human rights set forth either in the United States or in Panama for any individual who is subject to a penal process or who might become subject to a penal process. Under the U.S. system, these guarantees include the lawyer's advise, the oral trial and a number of other legal guarantees. Also, the protection of diplomatic representatives in accordance with international law. Look, at the time of the treaties, we discussed this with our government, (?what was being) negotiated. We reached the conclusion that we had no objection to reaching some agreements with the Americans on those so-called legal guarantees because our own penal-juridical system and our constitution establish absolutely every guarantee that is foreseen in the blessed treaties. Perhaps one of the few things that was not expressly established in our juridical system was the need for a lawyer to be beside the defendant, accused or detainee before he could make any statement. In other words, the lawyer has to be with him when he makes his first statements. In our judicial and legal system, this is not the practice. This is one of the aspects which was not expressly established. All the other guarantees are established either in the constitution or in our... [Correa interrupts] Those that are not established in the constitution, will be Panamanians....

[Rodriguez interrupts] In the judicial code.

[Correa] Oh, in the judicial code?

[Rodriguez] Yes.

[Correa] All right.

[Rodriguez] In other words, Panamanians enjoy all the guarantees that are (?offered) to Americans. In order not to establish any discriminations between Panamanians and Americans we drafted a general law for both Panamanians and Americans. In other words, those guarantees exist for everyone, Panamanians and Americans alike, either because they had been implemented earlier, or because in order to fulfill the treaties, they were established for both Panamanians and Americans to comply with some obligation with the Americans.

[Correa] All right, perhaps Minister Illueca or Mr Perez would like to expand on this.

[Perez] Illueca might.

[Correa] Dr Illueca? Yes, because he is a lawyer. Mr Perez is an economist. Dr Illueca, expanding on this matter of the tribunals and the Panamanian laws that will be enforced in the Canal Zone area, the matter of the counsel appointed by the court is also a cause of concern. According to a document I have somewhere here, Americans are concerned over the shortage of Panamanian personnel for this. They are also concerned that the Panamanian judicial system is more political than that of the United States, in the sense that here we have political influence and if you are on friendly terms with a judge he will look into your case more quickly than into another case brought in by some other lawyer whom he does not know so well or who is not such a close friend. Surely, that must happen in all small countries. It is a known fact that our judicial system is influenced by friendship and politics. This worries Americans now that Panamanian laws will go into effect in that area. What could you tell us about the counsel appointed by the court and politics in the Panamanian judicial system?

[Illueca] The public defenders were created precisely to guarantee an adequate defense to everyone accused of a crime punishable by law in the event that he does not have funds to pay a lawyer. The comments on the way our judicial system is made up concern all Panamanians because we are interested in good administration of justice. I believe that this is an universal problem. It is true that the United States expressed this concern, which is covered in the treaty, as Minister Rodriguez said. The United States was concerned over the legal guarantees that U.S. citizens would get under Panamanian jurisdiction. These guarantees are not discriminatory. They are granted to U.S. and Panamanian citizens as well as to citizens of any other country because it is a basic human right. What I can tell you is that as regards very responsible U.S. citizens--we are talking about a concern which is commonly the concern of the military chief of an American battalion when one of his soldiers gets involved with a woman of loose morals, had problems and gets arrested. Then he wants to be notified and make sure that if the soldier has the right to be released on bail, that he be released on bail; that if he needs a lawyer, he be given a lawyer; and that if he needs food, he be given food. In my view these are minor issues. As for

really important aspects in the administration of justice, forums and seminars have been held in the United States with the participation of important firms like oil and fruit companies and they feel that they have not had any problems living under the Panamanian system. [laughter]

[Correa] The fact that you are detained because you were involved with the type of woman you described, or that I am arrested for a major crime--the mere fact that you get arrested without previous notice and the presence of a lawyer, etc., and all the requirements established by the law--means simply that you were arrested. To be arrested is to be arrested, whatever the reason, whether on account of a banana or oil company or a woman. This is still cause for concern.

[Illueca] We agree on that. I want to tell you that among the many things that I have done, I have also been a judicial employee. Therefore, I know about this.

[Correa] Do we have the physical capacity to easily administer our...

[Illueca interrupts] We have the physical and spiritual capacity. For this reason you see that many of these citizens of the United States and other countries want to stay in Panama. [words indistinct] want to buy land here and build their homes. In reality, among Panamanians there is no--because we are a country used to foreigners and have a cosmopolitan spirit--anti-American or xenophobic feeling here. Anybody from any country can come here and make money.

[Correa] We are discussing the five activities that will be in Panamanian hands after 1 April in the canal area, which represent a giant step toward obtaining Panamanian sovereignty.

I must say that Tomas Paredes of the treaty implementation office, helped us organize this program. He did this out of good will and a desire to announce all these matters. Thank you Paredes.

Well, Gilberto Perez, who is an economist and is the Panamanian representative in the Panama Canal Commission, will explain to us how the profit-making firms operating in the canal area will abide by Panamanian laws and not American laws.

[Perez] Thank you Mayin, I am truly a representative in the coordinating commission, one of the binational mechanisms created by the treaty for the implementation of Article 3 of the canal treaty.

All the profit-making and nonprofit organizations operating in the canal area have had 30 months to come under Panamanian law in order to operate or continue to render their services. The Ministries of Commerce, Labor and Government and Justice have given these companies all their cooperation

through various offices and officials so that they have all the possible time and facilities given by Panamanian agencies in order to adjust to what is established in Panamanian laws regarding our system so that they can continue operating.

[Correa] How many nonprofit organizations exist in the canal area? Haven't many of them left or closed down already?

[Perez] No.

[Correa] Weren't these organizations... [changes thought] I don't understand which ones they are.

[Perez] The nonprofit organizations are all the lodges, churches, aid organizations like the Abou Saad temple and others. The profit-making organizations are all those operating in the Balboa and Cristobal ports.

[Correa] The cargo ones?

[Perez] That is correct.

[Correa] Speaking of cargo companies, the port workers have been complaining this week about the concessions that are being given to these cargo enterprises. Do you have anything to do with these concessions? Aren't they already under Panamanian law?

[Perez] These enterprises have already requested all the documents that will permit them to render their services through Panamanian laws.

[Correa] Therefore, they are going to work like any other Panamanian private company--or do they have to operate under some mechanism which links them to the Panama Canal Commission? How does this work? I don't understand how this really works.

[Perez] All these enterprises, approximately 83 of them, have requested authorization from the Commerce Ministry so that they can operate in the area.

[Correa] That means like any other firm?

[Perez] Like a Panamanian enterprise.

[Correa] If I want to open a company in Panama to sell candy, I get a permit and so forth. Is this what happens in practice there too?

[Perez] That is correct.

[Correa] Like any Panamanian?

[Perez] Just the same.

[Correa] So they have to pay taxes, union fees for the employees, the 13th month and all that?

[Perez] That is correct.

[Correa] There are 80, you said?

[Perez] There are 83 companies.

[Correa] This includes...[changes thought] tell us a bit about these companies. What do they do?

[Perez] They are cargo companies, restaurants, insurance companies....

[Correa interrupts] Beauty shops?

[Perez] Beauty shops, barber shops, all these companies. In other words, everything that is a business must be run under Panamanian laws.

[Correa] This matter about the churches that you mentioned. For example, there are several masonic temples in the canal area--I have seen in Balboa what is a beautiful temple that looks closed--have these churches or groups left? Have they become smaller because many Americans left? Tell us something about this, because it is very interesting to know what will be done with the empty churches.

[Perez] Of course. The 241 nonprofit organizations that operated in the former Canal Zone have requested registration with the Panamanian authorities. They include lodges, schools, charity institutions--as you mentioned before--all of the organizations that were created for nonprofit reasons. There are 241 of these organizations and they have requested....

[Correa interrupts] They continue operating?

[Perez] To date all are still in operation.

[Correa] Not one of them has closed? Panama now has that temple, that visitation temple?

[Perez] Only two organizations have not requested recognition by Panamanian institutions.

[Correa] Then what happens?

[Perez] For example, the temple you mention, the Masonic Temple, was sold by its owners to the museum of art....

[Correa interrupts] No. I know which one you are talking about, but I am referring to another; one that is close to the YMCA in Balboa, a large, beautiful temple. I think it is....

[Perez interrupts] That is the Church of Christ and it is still active.

[Correa] It is still operating, then. Very well. In that case, please talk to us about the police, Mr Perez. Are we already prepared to take over police surveillance duties throughout the canal area?

[Perez] I'll be pleased to. Even before the treaties were implemented, the national guard as well as all the other Panamanian institutions very responsibly began to prepare all the personnel who were going to provide services in accordance with what is established in Article 3 of the Panama Canal Treaty on the [passage indistinct]--especially paragraph 5, which sets the operating procedures for reimbursable public services.

The national guard has had a long training period for all of its personnel. For example, in the 1979-1980 period it had 150 men working in joint patrols. This was increased to 200 men in the 1981-1982 period...sorry, I meant 1980-1981, and in the 1981-1982 period it completed training of the 300 men who are going to provide police services throughout the canal area.

[Correa] Is this the same number of policemen that the United States had there before?

[Perez] Yes.

[Correa] There were 300 U.S. policemen and we are now exchanging them for 300...

[Perez] For 300 Panamanian policemen.

[Correa] Does this mean that there is no longer even one U.S. policeman?

[Perez] As of 31 March, yes.

[Correa] Since you are an adviser to the commission, what became of all the U.S. policemen--that is, policemen under the U.S. system? Because there were many Panamanian policemen wearing the blue uniform. Are they still working there, earning the same salary? Let's talk a bit about this, because this transition business is very complicated. The salary of one of these policemen, these Panamanian citizen policemen under the U.S. system, was a lot of money. Now this policeman has a national guard uniform instead of the blue uniform, and he does not continue earning this huge salary but instead earns the salary that a Panamanian national guardsman earns. How were these adjustments made? How were these Panamanians, who were earning hefty salaries as policemen, placed into other positions in the canal commission or with the U.S. Army? How was this handled?

[Perez] As the number of Panamanian guardsmen increased on the joint patrols, the number of U.S. policemen in the area decreased. They were reassigned to other positions made available by the Panama Canal Commission.

[Correa] So that they would not receive a cut in salary?

[Perez] No, they have been reassigned--for example, to the protection of the canal, that is to the body of guards who patrol the canal installations so that no one can enter the area to seal things that are on the installations... [as printed]

[Correa interrupts] But this was done to keep them on the same salary scale, because to drop a policeman's salary... A gringo policeman earns \$1,000 and I don't know how much a Panamanian policeman earns, but I know it's not the same amount. I am talking about many Panamanians who were policemen there.

[Perez] Right. They have been reassigned, but their salaries have not been affected.

[Correa] They were transferred to other positions.

[Perez] You are correct.

[Correa] For that reason. That is what I was trying to get at.

[Perez] Some have entered the pilot corps as apprentice pilots; others have been reassigned to maintenance duties, and still others to different posts that...

[Correa interrupts] These 300 policemen, Panamanian policemen that you have mentioned, I presume that many of them are bilingual, aren't they?

[Perez] Yes.

[Correa] Do they then earn more than the Panamanian guardsmen who work over here in Panama?

[Perez] No. They earn the same salary as any other guardsman who works in the Republic of Panama.

[Correa] I am referring a bit to these details of the transition period because there has been... [changes thought] I believe that every transition period brings problems, and when I hear the port workers talking--I go to the canal area quite frequently and speak to the workers, the blue collar workers of the canal zone, and some have had salary cuts because of the treaties. Last Saturday a group of these workers on the lower end of the salary scale were telling me: Mayin, we were very happy with the treaties because we are now sovereign, this is now ours, and so forth. But to be frank, many Panamanians suffered cuts in their salary. It is true that we are very proud to be nationalists and patriotic Panamanians, but in reality many Panamanians have suffered economically. In what areas have these salary cutbacks occurred? In the services area or in what areas?

[Perez] I would say, Mayin, that these must be very isolated cases. In reality when the Panama Canal treaties went into force all the workers who reverted, for example, to Panamanian institutions have continued to earn the same salary that they earned when they worked for the old Panama Canal company. As a matter of fact, many of them who were temporary employees for years are permanent employees today. We have the case of the employees of...

[Correa interrupts] Public works.

[Perez] ...The bridge of the Americas, who were temporary workers of the Panama Canal Company for 18 years. They were hired on 7- or 8-month contracts every year, but they were never hired on a permanent basis. Today they are all permanent workers and they earn the same salary they were earning previously.

[Correa] Let us then talk about the health sector. The Social Security Institutes [CSS] is now going to provide full health care to the canal area workers. Many more customers, to put it that way, many more persons are now going to depend on the CSS for their health care. Has the CSS prepared for this?

[Perez] Of course. The CSS has been increasing its capacity to take care of the new demand that it is going to have as of 1 April...

[Correa interrupts] By how much? How much of a demand is going to be placed on it?

[Perez] Not more than 300 or 400 persons, that is the employees who have started to work with the Panama Canal Commission after 1 October 1979. The older employees of the Panama Canal Commission continue under the private insurance system that they have, which allows them to use the services of private doctors in the Republic of Panama. For example, the Mutual of Omaha Company has close to 15,000 policyholders, which represents 77,000 persons, who will continue to use the services of Centro Medico Paitilla, Clinica San Fernando, and all the other private hospitals that there are in Panama.

[Correa] In other words, the 300 persons you mentioned are Panamanians who work with the canal commission but previously went to Gorgas Hospital for medical care. Only those?

[Perez] That is correct, and who began to work after 1 October. These are the new employees that the CCS is going to take care of. The old employees who used to go to Gorgas Hospital will now seek health care from the private medical services in the Republic of Panama.

[Correa] Minister Rodriguez, what installations are now going to revert to Panama at the end of this transition period?

[Rodriguez] The buildings used for the police services, mainly a complex in Balboa, half of the police building in Cristobal, and the Balboa courthouse. These are three important building...

[Correa interrupts] What are they going to be used for?

[Rodriguez] Right now I do not know what the president and the Finance Ministry, who are the ones who decide how to administer the reverted installations, have decided to do with these buildings. In reality I cannot give you a firm answer. This is something that has to be decided by 1 April. All I can say is that there is a bill at the National Legislation Council in which some legislators propose that the Balboa court building be used for a court to handle maritime cases, that is, a special maritime court. So far this is the only information I have on the possible use of these installations.

[Correa] Minister Rodriguez, the public is also concerned about the installations that have reverted to Panama as a result of the Torrijos-Carter treaties, including those that you mention are going to revert on 1 April, and are wondering how they are going to be used. The annual conference of business executives, CADE, has this on the agenda. And this leads me to believe that Panama's policy regarding the use of these areas is not all too clear.

Take the homes, for example: What policy is going to be used regarding all the reverted homes? I don't think this is entirely clear. What can you tell us about the reverted installations? How are they going to be used for the Panamanian people's benefit?

[Rodriguez] Both the legislative and executive branches have been concerned over the use of the reverted installations, to the point that there is a law that states that all reverted lands and buildings cannot be transferred by the government to any private person unless it has been authorized by the National Legislative Council. Therefore, right now a policy is in force that provides absolute control over the use of the reverted installations.

So far, the major part of, or almost all of the reverted land has been destined for public use or for housing. The housing units that have reverted have been rented either to Panamanians who were living there previously...

[Correa interrupts] They cannot be sold?

[Rodriguez] No, they cannot be sold. The law prohibits this. Another portion of these lands has been earmarked for the conservation of our flora; that is, to preserve the watershed and the canal area. There is a large area that is earmarked mainly to remain as forests to protect the watershed of the canal.

Almost all of the reverted buildings have been used for public services; that is, for the Banco Nacional, Caja de Ahorros, National Port Authority, national railroad, and for public health services. Others have been used for cultural purposes, such as the Museum of Modern Art, or for specialized social services such as those used to take care of the Choco Indians [word indistinct]. In other words, the best possible public use is being made of these installations.

We are working on and have already prepared a draft plan for the total use of those lands. A document already exists that defines the policies...

[Correa interrupts] However, the definition of policies that you refer to must be made within the framework of the law you mentioned, which says that the installations in the canal zone that have reverted to Panama cannot be transferred to private hands without the authorization of the National Legislation Council. Therefore, what they are doing is regulating this law [as heard] and I feel that it is a bit awkward to limit this to public use because in the treaties the country belongs to everyone, to all Panamanians, be they in the private or in the public sector.

[Rodriguez] Actually, a bill to modify that law has already been submitted to the National Legislation Council, and it would allow the use of these [grounds and installations] for private purposes, through a strict procedure.

[Correa] A hotel, for example.

[Rodriguez] But this bill has already been in the hands of the National Legislation Council for several months. We, even the president himself, have been urging the legislators to pass this bill, but unfortunately our legislators work very slowly.

I do not agree, for example, with President Royo's belief that we should allow the gates to be opened to whatever private use will allow the maximum benefit from the canal area...

[Correa interrupts] To the private enterprise, for a hotel, for...

[Rodriguez interrupts] But I also understand the legislators' feeling that the product of the struggle of an entire century of Panamanians, including all sorts of sacrifices, should not be converted into a territory in which only a handful are going to get rich at the expense of the struggle of all Panamanians.

[Correa] Foreign Minister Illueca, first of all I would like to invite you to another "Edicion Especial" program so that we can chat about foreign policy. Before today's program ends, I would like to invite you here at your convenience to explain our foreign policy. But I would like to grant you these few minutes so that, as foreign minister and head of the commission in charge of all the affairs of the Torrijos-Carter treaties on the Panamanian side, you may close today's program.

[Illueca] Well, first of all, I would like to thank you for your invitation, which I accept, because I am aware of the civic spirit, full of nationalist feelings, that motivates Mayin Correa. I would like to point this out, however; we have arrived at the end of the transition period, and although there are certain differences regarding implementation of the treaties, certain steps have been taken recently that indicate that we have arrived at the end of this transition period with a spirit of harmony from the two nations.

This week there was an exchange of notes that contain an agreement which in my opinion helps to create this atmosphere of understanding, friendship, harmony and cooperation. I am referring to an exchange of notes in which payment arrangements are made for the U.S. agencies, in particular the Panama Canal Commission, which is a binational agency, and the U.S. Armed Forces, to pay all of their contributions to the Social Security Institute. Therefore, the labor force of these institutions will have full coverage. In addition, the second payment of the 13th month bonus will also be paid.

I would also like to take advantage of these few minutes to answer an earlier question from Mayin; to give a short summary of the government functions or responsibilities that Panama is going to assume on 1 April. These are: the issuance of work permits to non-Panamanians who work for profit-making and nonprofit organizations; the issuance of licenses for use of lands and buildings, which should have passed over to Panama on 1 October if it had not been for a bit of confusion that has already been cleared up; the issuance of commercial licenses; and the granting of legal recognition to profit and non-profit making institutions.

Among these, of course, we must consider the matter of the labor unions which have been operating in the canal area. This is a matter for the Labor Ministry, of course, but...

[Correa interrupts] All the labor unions?

[Illueca] All the labor unions, yes, and we do not anticipate any difficulties in this regard because the Panamanian Government's aim is to obtain full respect for the labor sector's freedom to organize and form unions.

There is another important issue: that of immigration services for non-Panamanians who worked for profit-making or nonprofit organizations during the transition period. This falls within Panama's jurisdiction.

We have all examined in detail the administration of justice, which was very well explained by Minister Rodriguez. The Panamanian authorities will be in charge of investigating crimes, administering the jails and providing police services.

Then we have health and pregnancy services for those persons who are not U.S. citizens but are members of the U.S. retirement program; these employees have been granted the opportunity to choose the benefits of the social security system, but they also have the option to continue in the U.S. federal health system.

To close, I would like to say that on 1 April we achieve a great victory. A victory that is within the framework of the recovery of the ports at the two entrances to the canal, the restoration of our territorial integrity, and putting an end to these elements of the colonialist enclave which are the foreign courts, the foreign police and the foreign jails.

We are headed toward a promising future, in my opinion. President Aristides Royo has carried out a national and an international campaign to defend the rights that are spelled out in the treaties. So now all us Panamanians, together, must make the Panama plan, be it known as the Torrijos plan, the Royo plan or the Paredes plan. But this plan is for our own territory, on this Panamanian territory that once was the canal zone.

To achieve this we have to overcome something that still exists: psychological colonialism, colonialism of the spirit. We have to overcome those who believe that the national anthem can be sung to the rhythm of cash registers or of long term interest rates. We must remember that this is our common heritage, that it belongs to all of us, and that we have to work to make a great fatherland that will be respected by the international community. Thank you, Mayin.

CSO: 3010/1222

'MATUTINO' EDITORIAL MARKS CANAL REVERSION

PA011925 Panama City MATUTINO in Spanish 1 Apr 82 pp 1-A, 4-A

[Editorial: "The Goals Grow Closer"]

[Text] The line that divided the former canal zone from the rest of the country had a much deeper meaning than just a simple dividing line. It was, above all, a traffic lane that evidenced the existence of two different worlds within the small territory of the Panamanian nation.

On one side, Panama and the Panamanians with their eminently Latin nature, customs and laws--obliging, but never as immovably rigid as the legal system and the attitude of the judicial, police and penitentiary officials of the zonian enclave, located in the heart of our divided fatherland.

It was not just a difference in systems. Even the modus operandi which prevailed in the zone always had, regardless of how hard they try to deny it, wide tolerance in judging the crimes of U.S. citizens, and narrow, severe rigidity for all Panamanians accused of crimes in this territory subject to U.S. jurisdiction--better described as its canal zone satellite.

Our daily history is full of incidents in which the victim was always a Panamanian who the U.S. judicial and penitentiary officials treated cruelly while those same legal norms were more lenient toward U.S. citizens--to the point of tolerating the intolerable and permitting the impermissible, especially when the offense was committed against a Panamanian, as in the repeated case of humble women offended by soldiers stationed in the zone.

In this situation, the mere mention of judges and zonian justice and prisons would create among Panamanians not respect, but near-terror. The systems handled by U.S. citizens were seen to be a true monster, much to our shame, dishonor and punishment. They were used to protect and to provide an escape route for the delinquents of the group of usurpers of our territory.

They are leaving today. Today, in compliance with the clear stipulations of the treaties signed on 7 September 1977, U.S. judicial, police and penitentiary authorities cease to exist, to be replaced by Panamanian laws, officials and penitentiaries.

This brings closer Gen Omar Torrijos Herrera's goals of sovereignty, when he dreamed of one big fatherland. This proves once more the effectiveness of those treaties achieved by the will of our people, following the line set by Omar.

We should be pleased that in these dramatic last moments a zonian judge ended forever an era of control with a trembling voice and a symbolic tap of his gavel, while a new law, a new justice and new judges became a reality in the rescued area that used to be called the Panama Canal Zone.

CSO: 3010/1222

BRIEFS

TRADE AGREEMENT WITH IRAN--Uruguay has entered into an agreement with Iran for the purchase and sale of products totaling almost \$140 million, Jorge Sienra, foreign trade director general, said yesterday upon his arrival from Iran. Talking with journalists at Carrasco International Airport shortly after his arrival from Teheran, Sienra stated that the agreement provides for Uruguayan purchases from Iran totaling \$82 million and for sales to Iran worth \$57.5 million. It has already been reported that Iran will sell oil to Uruguay and Uruguay will export rice, wheat, beef and mutton to Iran. Sienra termed as "very interesting" the negotiations he held in Teheran, and he noted that "from the trade viewpoint, this agreement accomplishes at least two of the guidelines that were outlined at the Piriapolis meeting, namely, that Uruguay should trade with all the countries it can and, secondly, that it should use the purchasing power of the state organizations." Sienra stated: "In this case the participation of the national fuels, alcohol and cement administration in these negotiations had obviously been essential for the accomplishment of this balanced exchange." Sienra also reported that "prices will fluctuate because they will be determined by what Uruguay imports and by the fluctuations of the international price of oil." Similarly, Sienra noted that "Uruguay will benefit from this agreement for Iran has reduced the price of its oil, and it was believed until yesterday, at least within the OPEC group, that Iran will be able to maintain a price below the figures that have been set." Speaking about Uruguayan exports, Sienra stated that 30,000 tons of rice and 50,000 tons of wheat will be exported at "excellent prices." [Excerpt] [PY011152 Montevideo EL DIA in Spanish 21 Mar 82 p 8]

VOTING AGE REGULATION APPROVED--Citizens who are going to be 18 years of age before the end of the year will be able to vote in November. The executive branch has promulgated basic law No 1 allowing the registration in the national civic registry of citizens who are going to be 18 years of age by 31 December 1982 as long as they fulfill the other requirements of article No 78 of law No 7,690 of 9 January 1924. This law was promulgated in accordance with article No 6 of constitutional decree No 2--institutional act No 2 of 12 June 1976. [Text] [PY312222 Montevideo EL DIA in Spanish 18 Mar 82 p 7]

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